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TODAY: LE CHEF

EU Recalls Envoys as Iran Is Found Guilty of Terror

4 Murders in Germany Laid to Tehran Regime

By William Drozdiak
Washington Post Service

BERLIN — A German court ruled Thursday that the highest levels of the Iranian government ordered the gangland-style slaying of three Kurdish dissidents and their translator in Berlin nearly five years ago.

As Iran's biggest trading partner and closest friend in the West, Bonn has pursued business dealings with Tehran while treating such controversial issues as human rights and terrorism in a low-key manner. After the court ruling, though, Germany recalled its ambassador — a move echoed hours later by the European Union.

"The participation of Iranian state agencies, as found in the court verdict, represents a flagrant violation of international law," the Foreign Ministry said in a statement in Bonn.

A three-judge tribunal sentenced an Iranian grocer and a Lebanese accomplice to life in prison for their role in gunning down the Kurdish exiles and the translator at the Mykonos restaurant in 1992. Two accessories were given prison terms of five and 11 years.

The presiding judge, Frithjof Kubsch, said the four men had harbored no personal motives but were fulfilling an assassination decree issued by Tehran's Committee for Special Operations. The court did not cite names but said that the committee consists of Iran's president, its top religious authority, the minister of intelligence and other senior security officials.

It was the first time that a Western court directly implicated Iran's fundamentalist leaders in the killing of Iranian dissidents in Europe. Iranian opposition figures say that at least 20 people in Europe have been killed by hit squads operating on Tehran's instructions since the Islamic theocracy took power in 1979.

The United States has often exhorted its European allies to isolate Iran for its alleged role in sponsoring terrorism abroad. But Chancellor Helmut Kohl's government has balked at jeopardizing the interests of corporations that do nearly $2 billion in annual trade and hold $5 billion in debts from Tehran.

Judge Kubsch insisted that the three judges were not seeking to indict the Iranian government. But he said they reached an inescapable conclusion after

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No Break in Ties Expected Despite Policy Shift

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Union decided on a mass recall of ambassadors from Tehran on Thursday and suspended its so-called critical dialogue with Iran after a German court ruled that the Islamic regime had ordered the assassinations of four people in Berlin in 1992.

The decision was an embarrassing and abrupt policy reversal for the 15-nation EU, which has maintained its dialogue with Iran since 1992 despite vigorous pressure from the United States.

The immediate impact of the decision will be to cancel a meeting between EU and Iranian officials scheduled for May 13. The Union's foreign ministers will consider further action at their regular monthly meeting on April 29 in Luxembourg, but officials said there were no immediate proposals for tougher measures and no expectation that the EU would break off relations with Iran.

The move, which was agreed on at a meeting of senior officials in Brussels late Thursday — although Italy and Greece did not immediately go along with the recall — came at the request of Germany. It has been the main advocate of EU contacts with Iran and is Tehran's biggest European trading partner.

Bonn persuaded most of its partners that the EU had no choice but to toughen its stance after the ruling Thursday by the Berlin court.

"Proof has been found of the implication of the Iranian authorities in that terrorist attack," a Dutch official explained.

A statement issued by the Dutch presidency of the EU added: "The European Union condemns this involvement of the Iranian authorities and regards such behavior as totally unacceptable in the conduct of international affairs."

Germany also recalled its ambassador from Tehran and expelled four Iranian diplomats. Iran, denying any responsibility for the murders, said it would withdraw its envoy from Bonn.

Iran also plans to start court proceedings against 24 German companies that it contends helped Iraq acquire chemical weapons that were used against Iran during their long war in the 1980s.

Although the Union has always wanted a constructive relationship with Iran, it said "no progress can be possible while Iran flouts international norms and indulges in acts of terrorism."

A New Era Of Stability For Angola?

After Long Civil War, Rivals Unite, Warily

By Lynne Duke
Washington Post Service

JOHANNESBURG — After decades of civil war and years of international attempts to forge a political end to the mayhem, Angola's rival parties are to inaugurate a government of national unity Friday even as lingering conflicts mar the delicate peace process.

The new government will integrate Jonas Savimbi's National Union for the Total Independence of Angola, whose initials in Portuguese spell out UNITA, into the government of President Jose Eduardo dos Santos. Thus, it is hoped, UNITA will be transformed from an armed movement into the principal opposition party.

In one of Africa's longest civil wars, fighting between UNITA and the ruling Popular Movement for the Liberation of Angola, or MPLA, began before Angola's independence from Portugal in 1975, paused briefly for elections in 1991-92 and ended officially with the signing of the Lusaka Protocol in 1994.

Through much of the conflict, the United States and South Africa backed UNITA against the then-Marxist MPLA government and its Soviet and Cuban patrons. The Lusaka accord ushered in the UN-supervised integration of UNITA into Angola's political and military structures, which will culminate with Friday's inaugural ceremony. On Wednesday, 70 UNITA lawmakers were sworn in as members of the National Assembly.

But in a sign of the deep distrust and tension that still characterize relations between the two parties, Mr. Savimbi, one of the continent's most enduring rebel leaders, will not attend the inauguration ceremony in Luanda, the capital, said a UNITA official, Minus Tadeo. Nor did Mr. Savimbi attend the parliamentary session in Luanda on Tuesday at which he was officially granted legal status as president of Angola's main opposition party.

"All the political and security conditions are not good," Mr. Tadeo said, echoing Mr. Savimbi's oft-repeated reason for steering clear of the capital. Mr. Savimbi has not been in Luanda since 1992, when his refusal to accept defeat in a presidential election led to renewed warfare.

Jardo Mukalia, chairman of the Center for Democracy in Angola, a UNITA-aligned organization in Washington, said that UNITA also wants to avoid giving the impression of a surrender by

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Jupiter Moon Shows Signs Of an Ocean

By John Noble Wilford
New York Times Service

NEW YORK — Looking at the most detailed pictures yet of Europa, a large moon of Jupiter, scientists say they are more confident than ever that a global ocean of liquid water or slush is lying just beneath Europa's thin crust of cracked ice. And this, they add with rising enthusiasm, might just be the place to look for extraterrestrial life.

On Europa, which is about 2,000 miles (3,200 kilometers) in diameter, or slightly smaller than Earth's Moon, fracture lines extend hundreds of miles across the frozen surface, curving and intersecting in spider-web patterns. Huge ice blocks stand above the crust-like icebergs.

The pictures of Europa, taken by the Galileo space probe, show that everywhere the surface is fragmented — as if chunks of ice cracked, drifted apart and then froze again in slightly different places, like pieces of a jigsaw puzzle not quite perfectly rearranged.

This is compelling evidence, scientists say, that heat from Europa's interior has turned a thick layer of the moon's ice into water and that the warmth and currents of the subsurface ocean have created shattering stresses on the crustal ice.

They say they believe the heat most likely came from the radioactive decay of elements in the moon's rocky core and also from tidal forces caused by the gravitational pull of Jupiter, the solar system's largest planet, and its three other large moons, Io, Callisto and Ganymede.

"This is a very convincing set of pictures with respect to the presence of a liquid ocean," said Michael Carr, a planetary geologist with the U.S. Geological Survey.

Since water — and the heat to keep it in a liquid state — are essential conditions for life on Earth, the possible discovery of liquid water on another body in the solar system inevitably stirs new speculation about

See JUPITER, Page 12

The Associated Press

A Galileo photograph of the surface of Europa showing fracture lines that scientists say may indicate water lies just below a thin crust of ice.

Russia Reformers Aim At Energy Monopolies

Attack by New, Emboldened Yeltsin Team Is Part of Campaign to Revive Economy

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin's new team of reformers has set its sights on the powerful Russian energy monopolies, including the natural gas giant Gazprom, in hopes of spurring competition and lower prices to revive the country's moribund industry.

Boris Nemtsov and Anatoli Chubais, the first deputy prime ministers recently appointed by Mr. Yeltsin, are heading a fresh drive to restructure Gazprom and Unified Energy Systems, the country's sprawling electricity behemoth. Both are legacies of the Soviet era and remain partly owned by the state.

Mr. Nemtsov also announced another move this week to abolish the lucrative privileges enjoyed by special "authorized" banks that are allowed to handle billions of dollars in government accounts. The prized status of "authorized" bank has made many bankers into millionaires.

For several years, liberal economists and the International Monetary Fund have urged the restructuring of the energy monopolies, but the companies have resisted any substantial changes. Gazprom has relied on the formidable backing of its one-time boss, Prime Minister Viktor Chernomyrdin, and it remains a wealthy and influential company.

But there are signs that the reformers have been emboldened. The appointment of Mr. Chubais and Mr. Nemtsov, a former provincial governor, as Mr. Chernomyrdin's top deputies, was taken as a signal that Mr. Yeltsin is more serious about a far-reaching second-term agenda. Mr. Yeltsin this week chastised Mr. Chernomyrdin as being ineffective, while praising Mr. Nemtsov. A poll published this week by the respected All Russian Center for Public Opinion Research showed that Mr. Nemtsov has matched the charismatic former general, Alexander Lebed, as one of the most trusted politicians in the country.

In another indication of shifting political winds, Mr. Chernomyrdin's energy minister, Pytor Rodionov, who previously was a gas industry executive and who defended Gazprom while in the government, resigned this week. He swiftly went through a revolving door, back to Gazprom.

"If we want to move forward, something has to be done with these monopolies," said Irina Yasina, a journalist who writes about economics and is co-owner of Prime, an information

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With a Yeltsin Lift, the Bolshoi Gets Back on Its Feet

His Firing of Director in '95 Leads to Reforms at Theater

By Michael Specter
New York Times Service

MOSCOW — Anna Antonicheva looks as if her long, elegant legs are about to buckle beneath the feathery weight of her body. In a few hours, she and her young partner from the Bolshoi Ballet, Dmitri Belogolovstsev, will leave for Canada, where they have been invited to perform in an evening of dance devoted to the ballet stars of the 21st century.

The two have spent the afternoon gliding, stomping and soaring across the warped old floors of the rehearsal studio adjacent to the Bolshoi's aged, imperial stage. They have been driven like pack horses by their teacher, the former Bolshoi star Marina Kondratiyeva, and by now they look like a couple of prizefighters staggering desperately toward the final bell.

"Don't rush it, my love, and don't stop," Ms. Kondratiyeva shouts at her gasping young ballerina. "You are too tense. You must relax.

"Unwind. You can only be wonderful tomorrow if you are wonderful today."

Ms. Antonicheva buries her head in a towel and screams.

Then she gathers her regal figure, nods to the man with the tape player and floats through a scene from

See BOLSHOI, Page 12

James Hill/The New York Times

A member of the ballet corps at the Bolshoi rehearsing at the reformed and revived theater.

CIA Failed To Warn of Iraq Nerve Gas

By Philip Shenon
New York Times Service

LANGLEY, Virginia — The Central Intelligence Agency's own errors may have led to the demolition after the 1991 Gulf War of an Iraqi ammunition bunker that was filled with chemical weapons — an event that may have exposed tens of thousands of American soldiers to nerve gas.

At an unusual televised news conference at its headquarters here Wednesday, the agency apologized to the veterans for failing to notify the Pentagon about the contents of the depot.

A report released by the agency revealed that the CIA had solid intelligence in 1986 that thousands of weapons filled with mustard gas had been stored at the Kamisiyah ammunition depot in southern Iraq.

Despite that evidence, the agency failed to include the depot on a list of suspected chemical-weapons sites

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Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
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A Japanese Twist on 'Kill the Umpire!'

By Kevin Sullivan
Washington Post Service

TOKYO — The Yakult Swallows pitcher spun on the rubber and faked a throw to first base. The umpire had rarely seen such an obvious balk, so he called it, enraging the pitcher and his manager and setting off the latest trade spat between the United States and Japan.

This time, the troublesome import was a native New Yorker: Mike Di Muro, the first non-Japanese umpire ever to work in Japan's professional baseball leagues. Japanese baseball officials say players and fans have lost faith in their homegrown umpires. So they recruited an up-and-coming American for this season to "stimulate a renaissance among Japanese umpires with his fair and strict and lively conduct."

Di Muro, 29, an umpire in American triple-A baseball, one cut below the major leagues, is already causing grumbles with his American brand of umpiring, which some here see as another foreign threat to Japanese culture and tradition.

After Di Muro's balk call, Katsuya Nomura, the Swallows' manager, stormed onto the field with an interpreter, screaming, "Why? Why?" and insisting that his pitcher had done nothing wrong. Still steaming after the game, Nomura told anyone who would listen: "This American umpire is going to completely mess up Japanese baseball."

The Japanese and American versions of baseball are as different as sushi and a McDonald's fish sandwich: the same basic ingredients, but adapted to suit two extremely different cultures. The American major leagues are filled with strong personalities and flashy individual performances. Japanese baseball is cautious and dominated by group behavior, with lots of sacrifice bunts, endless on-field conferences and plodding strategy in games that routinely last four hours.

For an umpire, there are more subtle differences. The Japanese strike zone is

See UMPIRE, Page 22

AGENDA

Mobutu's Choice: How to Leave Power

The choices open to President Mobutu Sese Seko of Zaire have been narrowed to how he will relinquish power, according to observers in the capital, Kinshasa. As the rebels continue to press forward, and Marshal Mobutu named the third government in a week, former close allies let it be known that the Mobutu era was over. Belgium, the former colonial power, said his time was up, and Prime Minister Alain Juppe of France called him a "tired dictator." The final choice: Will his rule end peacefully or in flames? News Analysis, Page 12.

The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.7194	1.7255
Pound	1.623	1.62
Yen	125.85	126.805
FF	5.7805	5.8045

The Dow

change	Thursday close	previous close
-23.79	6540.05	6563.84

S&P 500

change	Thursday @ 4 P.M.	previous close
-2.24	758.33	760.57

The Hounding of Labour / **A Minority Bellows**

British Foxes Don't Vote, But Fox Hunters Do

By Warren Hoge
New York Times Service

STOWE, England — Advocates of fox hunting, feeling their traditional sport is endangered by the likelihood of a change in government after the national election on May 1, have taken a step cunningly appropriate to fighting a party called Labour. They have formed a union.

"People have the impression this is a thing just for Lord and Lady Such and Such, but there are more than 90,000 of us employed in country sports, and Labour's threatening to take our livelihoods away," said John Fretwell, huntsman of the Stowe Beagles, who is the new group's chairman.

His number includes blacksmiths, gamekeepers, grooms, foresters, sports tailors, saddlers, feed merchants, river guardians called ghillies, and hunt assistants called stalkers, beaters and whippers-in.

Most are poorly paid and many, like Mr. Fretwell, live in cottages or houses furnished by one of the 300 hunts around Britain. All are working-class folk, the kind of people who *have looked to Labour to represent them in the* past and whom Labour does not want to lose as it focuses on trying to win back power from the Conservative Party after 18 years in the political wilderness.

The lobby becomes millions if you add to their numbers the anglers who worry that restrictive government policy might move on to fishing and the hundreds of thousands of pensioners, farm workers and small-town professionals who consider that pulling on their wellingtons, grabbing their walking sticks and ambling along with the hunt is the finest and most accessible form of recreation.

The object of their ire is a plank in the Labour Party platform that calls for a vote in the House of Commons to ban hunting with hounds.

Until now it seemed a safe shot for Labour since the target was identified in party headquarters with high-horse upper-class elitism.

But the urban-oriented legions of the reformist leader Tony Blair did not reckon with the reaction the plank would rouse from Mr. Fretwell, surrounded by his frisky pack of taffy and white beagles whose boisterous caterwauling is called by hunt lovers "the music of the hounds," and from his many sympathizers in the countryside.

"Going along on a hunt is like people in New York watching a basketball game," he said. "It's what people who live here do."

Mr. Fretwell, a voluble Yorkshireman who is a walking emblem of British country life with his patterned flat hat, riding crop and smock pockets full of biscuit bits for his cavorting dogs, thinks he has detected the scent of an all-out assault on rural life if the Labour Party, now far ahead in the polls, is not dissuaded from its plan to vote on the ban.

"The immediate target may be hunting, but it will only be a matter of time before the anti-field-sports campaigners move on to shooting and fishing," he said.

Elliot Morley, a former teachers' union head from Liverpool who is Labour's spokesman in Parliament on rural affairs, initially turned aside the concern expressed by the new Union of Country Sports Workers.

The party platform, however, was quickly rewritten the other day to play down the priority of the proposed move in Parliament.

The country-city schism is divisive in this society. "The countryside is seen by many as a place to picnic, to visit and to walk, but for those of us who live here, the countryside is a way of life, and country sports are a part of that life," said Penny Mortimer, a founder of Leave Country Sports Alone, one of the many advocacy groups that have sprung up around the argument.

"I was brought up on a pig farm in Kent and I spent my life around animals," Mrs. Mortimer said. "I hunt, I fish and I shoot, and they are country traditions that I'm glad to be part of." She said the people who oppose fox hunting "live in cities and do not understand it."

HER husband, the playwright John Mortimer, and Mr. Morley have moved the dispute into a time-honored arena of British debate, an exchange of letters in a newspaper, in this case The Guardian, which is friendly to Labour.

"This is not an urban vs. rural issue," Mr. Morley wrote. "It is based on the morality of inflicting prolonged pain and stress on animals for no other reason than entertainment."

He proposed that the social spirit served by hunting be maintained with "drag" hunting, a no-quarry method where a scent is laid down by a rider and the hounds are then loosed to follow it. "I know you think this issue is a matter of personal choice," he wrote, "but so did those who defended slavery, bear-baiting, badger-digging and sending small boys up chimneys."

Mr. Mortimer responded, "My wife and our numerous friends who enjoy hunting are no sadists and have no desire to send small boys up chimneys." He told Mr. Morley that "in the mistaken belief that this is indulged by a few Tory toffs you plan to drag Pony Club children, middle-aged women riders and thousands of foot followers off to jail."

Literary and historical citations — Macaulay, Wilberforce, Darwin, Hardy, Shaw, Lord Soper, Wilde, Trollope and Siegfried Sassoon, the antiwar poet who wrote "Memoirs of a Fox Hunting Man" — were trotted out.

"You will remember," Mr. Mortimer said in a final epistolary thrust, "that the first government to ban fox hunting was that of Nazi Germany, so was Hitler more civilized than Sassoon?"

Jonathan Player/The New York Times

John Fretwell, huntsman of the Stowe Beagles and head of a group fighting the Labour Party's proposed ban on hunting by hounds.

Speaking of Blood Sports: Thatcher Unleashed

By Fred Barbash
Washington Post Service

ALDERSHOT, England — Margaret Thatcher, a nonperson so far in Britain's election campaign, has gone on the stump for the first time, visiting a small-time soccer team in Hampshire and proving herself more than worthy of its motto, "Alive and kicking."

The former prime minister also demonstrated why Britain's two major parties would just as soon keep her caged up, for the lively kicking she administered landed squarely on the backsides of both.

Asked whether her Conservative Party successor and supposed ally, Prime Minister John Major, would win, she gave the wrong answer: none. Instead she wound up launching an attack on his policies toward Europe.

Asked whether Tony Blair, Mr. Major's opponent as leader of the Labour Party, is a new version of Margaret Thatcher, or at least in her league of strong leadership as he and many others proclaim, she accused him of being a mere pretender.

Those who see her in him are just plain wrong, she said. "I think they've got the wrong sex, for a start. I think they've got the willpower wrong; I think they've got the reasoning wrong; I think they've got the strength wrong.

"He's trying to take over my policies," she said Wednesday. "And it's a conversion of convenience."

Whether she will be heard from again in the campaign is uncertain. Whether it matters is similarly unknown, for while the campaign is in many respects consumed with her legacy — the rights and wrongs of Thatcherism — Lady Thatcher, who led the Conservatives to three consecutive election victories from 1979 to 1987, has played little part this time.

Lady Thatcher, 71, appeared in Aldershot not at the invitation of the party but at the request of her former personal assistant, who is running for the House of Commons in this overwhelmingly Conservative constituency, an hour's train ride southwest of London.

The neglect has not stopped Mr. Major, from whom it is not, from invoking her name, praising many of her policies and comparing themselves to her as strong and disciplined leaders.

Indeed, many commentators have accepted the notion of Mr. Blair as a Thatcher variant. He has adopted many of the Thatcher policies that he and his party once fought — including privatization of state-owned industries and her anti-union laws. He has taken firm control of a once-unruly left-wing party, transformed it into what he calls a party of "the radical center" and, if the polls are correct, stands to win a landslide victory May 1.

That does not discourage Mr. Major and his cabinet colleagues from declaring — as politicians are supposed to declare — that they are going to win.

But when asked Wednesday if "John Major is going to score the winning goal on May 1," Mrs. Thatcher said, "I've only been to two Tory constituencies." The campaign, she said, is just getting started.

But it was the Blair-Thatcher analogy that set her off after she posed for pictures with players on the Aldershot Football Club.

Mr. Blair's espousal of some of her policies is a mere expedient, she said, and by contrast, "We founded all our policies on conviction. We didn't believe in having too many regulations on industry, so we cut the regulations. We didn't believe that the unions should dominate, so we stopped it."

READ Mr. Blair's party manifesto, she urged: "It's in his manifesto — new power to the trade unions. Read it." Then she started in on Britain's role in the European Union — one of the most sensitive and divisive of issues, especially for Mr. Major. She denounced the Maastricht treaty, which he signed and which gives the European Union greater powers.

When she was in power, she said, "it was an economic community." Now, she added, it has been turned into a union of unelected bureaucrats exercising powers that only Britain's Parliament should wield.

"I think every candidate, every candidate, should be asked a question: Are you trying to get elected to Parliament to hand over the power of that Parliament" to the European Union?

That is not the sort of question the Tories or Labour want asked in this campaign, for both are split on the issue of European unity and it is a split neither wants noted.

The Associated Press

Laura Nyro in 1988.

Laura Nyro, Singer and Songwriter, Dies at 49

By Stephen Holden
New York Times Service

NEW YORK — Laura Nyro, 49, the singer and songwriter whose impassioned, iconoclastic music exploded pop song conventions in a feverish search for emotional truth, died of ovarian cancer Tuesday at her home in Danbury, Connecticut.

Along with Joni Mitchell, Ms. Nyro (pronounced Nero) was a pioneer in the confessional, free-form school of songwriting that grew out of 1960s folk music. A trained pianist, she had a kaleidoscopic musical sensibility that fused elements of folk, soul, gospel and Broadway tradition into intensely introspective songs that transcended easy stylistic categorization.

With her uninhibited, note-bending vocal wail, she also helped introduce the rhythm-'n'-blues-influenced style known as "blue-eyed soul," so named because it was popularized by white singers imitating black role models. And her live concerts were fervent affairs in which the dark-haired, dark-eyed singer, exotically gowned and surrounded by roses, performed with a transported intensity.

As a recording artist, Ms. Nyro never had a gold album or a hit single, but many of her songs were hits for others. But her albums — particularly her 1968 song suite "Eli and the Thirteenth Confession," a sometimes impenetrable mosaic of fragments, reflections and fantasies with a Southern gospel feel — were among the most influential pop recordings of the late 1960s.

Among Ms. Nyro's biggest hits for others were the songs "And When I Die" (recorded by Peter, Paul and Mary and Blood, Sweat and Tears), "Wedding Bell Blues" (the Fifth Dimension), "Sweet Blindness" (the Fifth Dimension), "Stoned Soul Picnic" (the Fifth Dimension), "Eli's Coming" (Three Dog Night) and "Stoney End" (Barbra Streisand).

Joana Mendes, 77; Championed Father

New York Times Service

Joana Mendes, 77, the daughter of a disgraced Portuguese diplomat who devoted her life to winning recognition of his role in rescuing Jews and others from the Holocaust, died of a stroke March 20 at a nursing home in Mangualde, Portugal.

To Mrs. Mendes it was a matter of family pride that during three fateful days in June 1940, her father, Aristides de Sousa Mendes do Amaral e Abranches, then the Portuguese consul general in Bordeaux, ignored Lisbon's orders not to issue transit visas to Jews trying to flee the Nazi occupation of France.

From June 17 to June 19, 1940, he personally issued visas to an estimated 10,000 Jews and 20,000 others. For his defiance of the Portuguese dictator, Antonio de Oliveira Salazar, Mr. Mendes was arrested and barred from practicing law. The once-wealthy aristocrat was left to descend into poverty before his death in 1954.

Alejo Peralta Diaz, 80, a pioneering figure in Mexico's industrial development who became a confidant of presidents and one of the country's wealthiest entrepreneurs, died in Mexico City Tuesday of heart failure. At his death, Mr. Peralta was president of Industrias Unidas Sociedad Anonima, which produces everything from ballpoint pens to digital equipment. *(NYT)*

TRAVEL UPDATE

French Air Traffic Is Jolted Again

PARIS (AP) — Air travelers were scrambling for other means of travel Thursday as a new wave of strikes hit France.

Half of TAT and Air Liberte's Thursday flights were canceled, although the strike was expected to end Friday at noon, an airline spokeswoman, Caroline Levy, said. The pilots' three-day strike was called to protest plans to merge the two airlines, which are both owned by British Airways.

Rome Transport Strike Called Off

ROME (AP) — Two days after a wildcat transit strike paralyzed Rome, union leaders called off a one-day strike Thursday that would have idled buses, trams and subways nationwide. The strike was canceled at the last minute after a late-night session in which both sides agreed to resume formal talks for contract renewal.

Transit service was disrupted in the morning because some drivers didn't get the word of the cancellation in time. Workers are protesting stalled contract talks and government plans to change work shifts as part of a restructuring of the public service sector.

Pakistan and the United States on Thursday signed a new agreement to expand air traffic between the two countries, replacing a restrictive 1948 accord, officials said. *(AFP)*

To Our Readers

Thursday's Herald Tribune was not available in France because of a national strike by newspaper printers and distribution employees. We regret the inconvenience.

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China Warns U.S. on UN Censure

The Associated Press

BEIJING — The United States risks damaging its improving ties with China by backing a UN resolution criticizing Beijing's human rights record, China said Thursday.

The Foreign Ministry spokesman, Shen Guofang, accused Washington of "conniving" with Denmark's plan to propose a resolution censuring Beijing at a meeting of the United Nations Human Rights Commission in Geneva.

The United States plans to support Denmark's resolution because China's rights record has not improved significantly.

Mr. Shen accused Denmark, the United States and other Western countries he did not name of using human rights to interfere in China's affairs.

"America's continued support for resolutions of this kind at the human rights commission will, of course, harm relations between the two countries," Mr. Shen said.

He did not say how relations would suffer.

China, backed by developing countries in the 53-nation commission, will probably defeat the resolution.

France, Germany, Spain and Italy have decided against endorsing the Danish resolution. Australia indicated Thursday that it, too, would drop public criticism of China after it agreed to a formal, bilateral dialogue with Beijing on human rights.

Mr. Shen welcomed Australia's decision as "sensible," and said China was willing to discuss human rights if Australia did not confront Beijing over the issue.

Beijing already has said Denmark's trade, economic and political interests in China will be hurt if its pushes ahead with its motion.

In an apparent effort to head off criticism at the commission, President Jiang Zemin said this week that China will sign the International Covenant on Economic, Social and Cultural Rights by the end of the year. Mr. Shen said China was still considering whether to sign the International Covenant on Civil and Political Rights.

In this Saturday's
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Quarterly Fund Wrap-up
Mutual funds, emerging markets
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WEATHER

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	18/64	13/55 sh	21/70	12/53 pc
Amsterdam	9/48	2/35 sn	12/53	6/43 s
Antwerp	7/44	-3/27 c	11/52	-1/31 pc
Athens	14/57	7/44 s	17/62	8/46 pc
Barcelona	17/62	10/50 s	17/62	8/46 pc
Belgrade	19/66	8/46 pc	10/50	-3/27 pc
Berlin	3/48	0/32 pc	6/43	0/32 pc
Brussels	11/52	2/35 r	12/53	6/43 s
Budapest	18/64	5/41 pc	7/44	-4/25 pc
Copenhagen	7/44	0/32 r	5/41	1/34 s
Costa Del Sol	19/66	11/52 c	21/70	10/50 pc
Dublin	13/55	7/44 pc	17/62	9/48 s
Edinburgh	10/50	3/37 pc	13/55	6/43 s
Florence	21/70	9/48 pc	14/57	0/32 pc
Frankfurt	10/50	-2/29 sh	4/39	-3/27 pc
Geneva	18/64	5/41 s	11/52	2/35 pc
Helsinki	3/37	-3/27 sn	0/32	-9/16 c
Istanbul	12/53	6/43 c	14/57	5/41 pc
Kiev	8/46	0/32 r	6/43	-4/25 pc
Las Palmas	23/73	17/62 pc	23/73	15/61 pc
Lisbon	17/62	13/55 r	20/68	13/55 pc
London	14/57	4/39 c	16/61	6/46 s
Madrid	19/66	7/44 pc	20/68	7/44 pc
Malaga	18/61	11/52 s	19/61	8/46 pc
Milan	22/71	8/46 s	13/55	1/34 c
Moscow	4/39	3/37 sn	5/41	-4/25 r
Munich	15/61	-2/29 pc	6/43	-4/25 pc
Nice	19/66	12/53 s	14/57	6/43 pc
Oslo	6/43	-2/29 c	10/50	3/37 s
Paris	16/61	2/35 s	13/55	5/41 s
Prague	11/52	-4/25 r	3/37	-4/22 pc
Reykjavik	8/46	8/46 c	13/55	8/46 s
Riga	4/39	-1/31 r	3/37	-7/20 pc
Rome	17/62	6/43 s	15/59	9/32 pc
St. Petersburg	2/35	-3/27 sn	1/34	-9/22 sn
Stockholm	3/37	-5/24 sn	1/34	-4/25 s
Strasbourg	18/64	1/34 s	11/52	2/35 s
Tallinn	2/37	-5/28 sn	0/32	-7/20 c
Tbilisi	8/43	-5/22 c	10/50	3/37 pc
Venice	21/70	9/48 s	11/52	-1/31 pc
Vienna	17/62	2/35 pc	6/43	-4/25 pc
Warsaw	6/43	-1/31 r	4/39	-5/22 pc
Zurich	17/62	2/35 s	9/48	1/34 pc

Middle East

Abu Dhabi	28/84	14/57 s	27/80	14/57 s
Beirut	11/52	4/39 pc	17/62	13/55 sh
Cairo	18/64	9/48 pc	27/80	17/62 sh
Damascus	11/52	-1/31 s	18/64	6/46 pc
Jerusalem	9/48	1/34 pc	19/64	10/50 pc
Luxor	27/80	12/53 s	34/93	18/64 pc
Riyadh	30/86	14/57 s	30/86	15/59 pc

Forecast for Saturday through Monday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America
Rains will soak Washington, D.C., New York City and Boston this weekend. Chicago will have rain or snow and cold weather Saturday, then sunny but cold weather Sunday. *Unseasonably cold in Dallas* and Houston this weekend. Chance of rain over the weekend in Vancouver.

Europe
Sunshine will be the rule Saturday through Monday in London and Madrid. Brisk in Brussels and Amsterdam Saturday, then mostly sunny and more tranquil Sunday and Monday. *Rains will soak* Athens and Istanbul before the weekend is over. Unseasonably cold this weekend in Budapest.

Asia
Sunshine in Shanghai Saturday, then it might shower Sunday. Mild in Beijing Saturday, then chillier Sunday and Monday. Rather pleasant this weekend in Tokyo and Osaka with some sunshine, then it could rain Sunday night and Monday. Sizzling sunshine in New Delhi this weekend.

North America

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Anchorage	9/48	-1/31 s	11/52	-2/29 pc
Atlanta	20/68	13/55 c	23/73	12/53 sh
Boston	9/48	2/35 c	7/44	3/37 sn
Chicago	6/43	3/37 r	6/43	-2/29 pc
Dallas	21/70	9/48 c	18/64	7/44 c
Denver	0/32	-9/16 sf	4/39	-7/20 sf
Detroit	8/43	4/39 sn	8/46	-1/31 sh
Honolulu	27/80	22/71 r	28/82	20/68 pc
Houston	27/80	18/61 pc	22/71	12/53 c
Los Angeles	19/66	11/52 s	22/71	9/48 pc
Miami	27/80	22/71 c	29/84	22/71 pc
Minneapolis	1/34	-5/24 c	9/37	-5/24 pc
Montreal	-3/27	-4/25 sn	4/39	-5/24 pc
Nassau	27/80	19/64 pc	29/82	21/70 pc
New York	11/52	5/43 pc	10/50	7/44 sh
Orlando	28/79	19/66 pc	29/84	19/64 pc
Phoenix	23/73	10/50 s	23/73	10/50 s
San Fran.	18/64	8/46 s	17/62	9/48 pc
Seattle	14/57	2/35 s	14/57	4/39 pc
Toronto	1/34	-2/29 sn	7/44	-4/25 sh
Vancouver	9/48	0/32 s	11/52	4/39 pc
Washington	13/55	7/44 pc	12/53	7/44 sh

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Almaty	28/79	9/48 pc	19/61	3/37 sh
Bali	32/89	22/71 pc	31/88	23/71 c
Bangkok	32/89	23/73 pc	32/89	24/75 pc
Beijing	22/71	9/48 s	22/71	10/50 s
Bombay	32/89	22/71 s	31/88	22/71 pc
Calcutta	32/89	19/66 pc	32/89	21/70 pc
Chiang Mai	32/89	22/71 pc	32/89	22/71 pc
Colombo	30/86	23/73 pc	29/84	23/73 pc
Hanoi	27/80	22/71 sh	27/80	22/73 pc
Ho Chi Minh	32/89	23/73 c	33/91	25/77 c
Hong Kong	24/75	21/70 sh	25/77	21/70 pc
Islamabad	32/89	18/64 s	30/86	16/59 r
Jakarta	30/86	23/73 s	30/86	23/73 pc
Karachi	34/93	20/68 s	33/91	19/66 pc
K. Lumpur	32/89	22/71 c	32/89	23/73 pc
K. Khabalu	31/88	22/71 pc	32/89	22/71 pc
Manila	32/89	21/70 pc	32/89	23/73 pc
New Delhi	37/98	19/66 s	36/97	19/64 sh
Phnom Penh	31/88	22/71 r	32/89	23/73 c
Phuket	32/89	23/73 pc	32/89	24/75 pc
Rangoon	32/89	23/73 pc	32/89	25/77 pc
Seoul	14/57	4/39 sf	17/62	6/43 s
Shanghai	19/66	10/50 pc	17/62	9/48 pc
Singapore	31/88	23/71 pc	32/89	23/73 pc
Taipei	23/73	15/59 r	23/73	17/62 pc
Tokyo	12/53	1/34 s	13/55	2/35 s
Vientiane	26/79	22/71 sh	26/79	22/71 pc

Africa

Algiers	15/59	9/48 sh	20/68	8/43 pc
Cape Town	27/80	14/57 s	24/75	13/55 pc
Casablanca	22/71	13/55 pc	20/68	11/52 pc
Harare	30/86	11/52 s	28/82	13/55 pc
Lagos	31/88	24/75 pc	31/88	24/75 pc
Nairobi	24/75	15/59 r	27/80	15/59 pc
Tunis	17/62	8/46 s	20/68	9/41 pc

Latin America

Buenos Aires	24/75	14/57 pc	26/79	13/55 pc
Caracas	27/80	23/73 sh	29/84	22/71 pc
Lima	25/77	19/66 pc	25/77	20/68 pc
Mexico City	24/75	11/52 c	27/80	11/52 pc
Rio de Janeiro	33/91	17/62 pc	24/75	18/64 pc
Santiago	28/84	13/55 s	25/79	9/48 pc

Oceania

Auckland	18/64	13/55 pc	17/62	10/50 pc
Sydney	20/68	14/57 pc	19/66	13/55 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hcs, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Republicans Agree to Widen Fund-Raising Inquiry

By Eric Schmitt
New York Times Service

WASHINGTON — In a sharp reversal, Republicans on the House committee investigating questionable campaign fund-raising practices have agreed to widen their scope to include Republican political campaigns.

The abrupt change of course was a tactical defeat for Representative Dan Burton, the Indiana Republican who is chairman of the committee and who has insisted for weeks that the inquiry be limited to the Clinton White House and the Democratic National Committee, particularly their links to illegal foreign campaign contributions.

But some Democrats on the panel, the Government Reform and Oversight Committee, feared the change in scope might prove a hollow victory for them. That is because Mr. Burton still controls the investigation's most powerful tool — the authority to subpoena documents and individuals. The Democrats thus could end up with a wider scope to the inquiry but lack the subpoena power to take advantage of it.

The Senate voted last month, 99 to 0, to expand its inquiry to examine improper as well as illegal campaign activities in the legislative and executive branches, including legal fund-raising practices by both parties that have been widely criticized.

The turn of events in the House came after several moderate Republicans protested that the inquiry was being seen as overly partisan. Mr. Burton and other Republican leaders on the House committee grudgingly agreed in a closed 90-minute meeting to take their investigation wherever the evidence warranted, several lawmakers said.

"What the American public wants is not a witch-hunt but a broad look at wrongdoing, wherever that is," Representative Marshall Sanford, Republican of South Carolina, who supports a broader scope, said in an interview after the meeting.

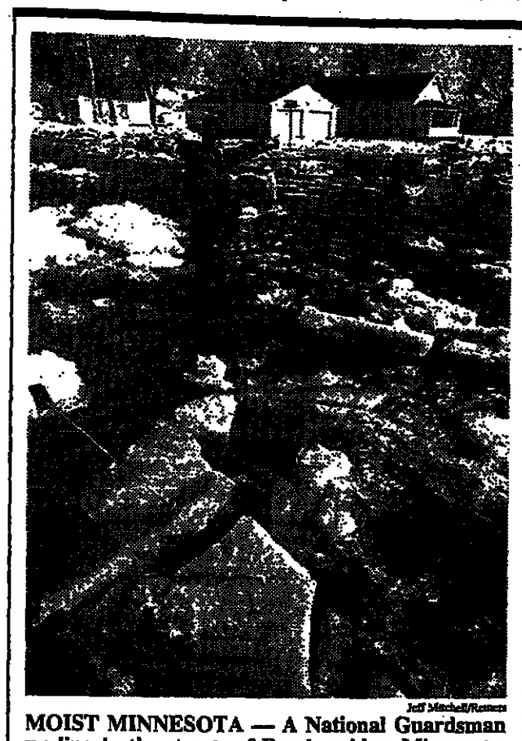
Representative Benjamin Gilman, Republican of New York, said, "Once we get into an investigation, it shouldn't be limited. It should be open to all aspects."

And Representative Steven LaTourette, Republican of Ohio, said, "We'll go without reference to party."

Mr. Burton had repeatedly said that investigating congressional campaigns was outside the committee's jurisdiction. But he had to withdraw that assertion when the House parliamentarian supported Democrats' contention that House Rule 10 allowed the inquiry to investigate Congress and its campaigns.

Under the rules of the committee, Mr. Burton has the authority to issue subpoenas on his own, and he has done so more than 100 times in this inquiry, including 15 new subpoenas on Tuesday. But none of them has been issued to individuals or groups associated mainly with Republicans.

Mr. Burton himself is under a cloud after an American lobbyist for the government of Pakistan, Mark Siegel, accused the congressman of pressuring him to raise money for Mr. Burton's re-election campaign.



Jeff Mitchell/Reuters

MOIST MINNESOTA — A National Guardsman wading in the streets of Breckenridge, Minnesota. The upper Midwest is bracing for more flooding.

Away From Politics

- **Six months before a new law will require stores to limit sales of some over-the-counter medicines that contain chemicals used to make amphetamine and methamphetamine, Wal-Mart has begun doing so voluntarily.** *(AP)*
- **Alex Kelly, 29, has returned to court in Stamford, Connecticut, for his second trial on 11-year-old rape charges. His first trial ended in a deadlock in November, and followed eight years he spent on the lam in Europe.** *(NYT)*
- **A lesbian cruise line says ABC refused to air its ad during an coming episode of the television series "Ellen" in which the main character will reveal she is a lesbian.** *(AP)*
- **Asked at a police line-up in Los Angeles to point out the killer of Ennis Cosby, the primary witness did not identify the 18-year-old youth that police have called the shooter, a defense lawyer said.** *(LAT)*

AMERICAN TOPICS

California Lawmakers Sort Out Issues of Nurture and Nudity

A bill to allow women to breast-feed in public has won approval in the California Assembly and is expected to breeze through the Senate. Two years ago, a similar bill died in committee after Republican members suggested that it would lead to public nudity and might not be necessary.

But Antonio Villaraigosa, a Democrat who is the Assembly majority leader, said he had received a "slew of complaints" from breast-feeding mothers who have been asked, sometimes nicely, sometimes rudely, to leave stores, restaurants and other public sites. One woman was ordered off a bus; another was asked to leave a store, and then told by a parking lot attendant to stop nursing in her car.

Even in California, one Republican assemblyman told the Los Angeles Times, it seems that people need to relax; Villaraigosa said that it was time to "get past the sexuality of a woman's breast."

California would be the 13th state to pass such a bill.

Short Takes

Lawyers for the estate of Richard Nixon would be paid almost $10 million under a proposed $26 million settlement with the government to compensate the late president's heirs for the 1974 seizure of his White House tapes and documents pertaining to the Watergate scandal.

A federal judge ruled in 1991 that Mr. Nixon had held the materials "as a trustee for the American people" and was not entitled to payment. But an appeals court reversed that decision. Under the proposed settlement, the National Archives would take charge of the privately run Nixon Library in Yorba Linda, California, and ship the collection of more than 44 million items to a facility yet to be built. Remaining funds from the settlement would go to the Richard Nixon Library and Birthplace Foundation, which runs the Nixon museum at Yorba Linda.

LSD, the hallucinogenic symbol of the peace-and-love '60s, has made a quiet return to schools and campuses, with use nearly doubling. A University of Michigan study has found that the number of eighth-graders who say they have tried the drug rose to 5.1 percent last year from 2.7 percent in 1992; among 12th graders, 12.6 percent said they had tried it, up from 8.8 percent. The authorities link the rise to use of weaker doses — half the strength commonly taken in the '60s — resulting in far fewer "bad trips," and prices as low as $5 per dose.

A Baptist church in Arkansas has closed its day-care center, saying working mothers neglect their children and damage their marriages. The board of the First Baptist Church of Berryville said it was sensitive to the plight of single parents but could not in good conscience encourage mothers to work outside the home. It cited a Biblical injunction for women to be "discreet, chaste, keepers at home, good and obedient to their own husbands." The closure has infuriated some parents. One woman, whose daughter had gone to the day-care center, said, "This is just something that shouldn't have happened in this decade."

International Herald Tribune

Reunion at Foggy Bottom

Albright Says Diplomats Must Broaden Training

By Thomas W. Lippman
Washington Post Service

WASHINGTON — There was something like a college-reunion atmosphere in the usually solemn halls of the State Department's training center as scores of current and former diplomats revisited the institution where they learned their trade craft and their foreign languages.

The occasion was the 50th anniversary of the creation of the Foreign Service Institute, the government's principal school for training civilians for assignments overseas.

The event Wednesday brought together former ambassadors and senior State Department officials, including diplomatic hall-of-famers who are household names in their line of work — David Newsome, Thomas Pickering, Walter Cutler, Roy Atherton — to eat lunch, reminisce about exotic places and think about the future of diplomacy.

In the spring of 1947, Mr. Newsome and Mr. Atherton were members of the institute's first class of new officers. Mr. Pickering, one of the few career diplomats to reach the highest position, career ambassador, is about to return to the State Department as undersecretary for political affairs, the department's third-ranking job.

When Mr. Newsome and Mr. Atherton started out, the institute, located in the section of Washington known as Foggy Bottom, offered just 30 courses. It was based in a townhouse that was later demolished to make way for what is now the main State Department building. Now the institute occupies the Virginia campus of what was once an army station and offers 300 courses, including 61 languages.

Nevertheless, Secretary of State Madeleine Albright told the gathering, the curriculum must be broadened still further to train U.S. diplomats to address the new issues that threaten the United States in the post-Cold War era.

> **Foreign Service officers will have to function well outside the traditional world of oblique conversations with men in suits.**

"As you know, I have only been in my new job for about 10 weeks," she said, "but I have already developed a few ideas for new courses here at FSI. To function successfully in this diverse, fast-paced and rapidly changing environment, we will need women and men trained to deal with the world not as it was but as it is and as it will become."

This has been a foreign-policy theme of the Clinton administration, first under Secretary of State Warren Christopher in President Bill Clinton's first term, now under Mrs. Albright.

The message is that the threats to the safety and well-being of Americans in the next century are more likely to come from heavily armed drug cartels, environmental degradation and overpopulation than from Russian missiles.

In addition, Mrs. Albright said, some of the most serious diplomatic challenges were posed by "nonstate actors," such as ethnic militias and drug cartels, that were not amenable to traditional diplomatic techniques.

In such a world, Mrs. Albright said, future Foreign Service officers will have to function well outside the traditional world of oblique conversations with men in suits.

"They will be asked to promote a mix of economic, agricultural and social policies that will ensure greater food security in Africa," she said. "They will be visiting factories to ensure that intellectual property and copyright restrictions are being respected. They will be working with public- and private-sector representatives who are striving to stabilize population growth, prevent complex humanitarian emergencies and care for the new international homeless: displaced persons and refugees."

Many foreign-policy specialists, inside the government and out, have criticized this approach, arguing that the State Department should concentrate on managing relations with countries such as Russia and China and focus on traditional strategic interests.

Such people, Mrs. Albright said, "refuse to accept that confronting the new threats is real, serious foreign policy. Like Bismarck, they want to play geopolitical chess, but don't realize the board is not two-dimensional any more."

Clinton Pledges Federal Hiring Of Thousands on Welfare Rolls

By Stephen Barr and John F. Harris
Washington Post Service

WASHINGTON — Hoping to jump-start the United States' effort to move large waves of welfare recipients into the work force, President Bill Clinton said Thursday that the federal government would hire thousands of new employees off public assistance rolls.

The president said federal agencies would hire about 10,000 welfare recipients over the next five years, with as many as 2,000 hired by Sept. 30, the end of the fiscal year.

Mr. Clinton intends to direct the government to start hiring welfare recipients immediately and hopes to meet his target by the time he leaves office, the official said.

Although hiring several thousand welfare recipients would represent but a tiny fraction of the federal work force, it would put the government far ahead of any single private-sector company that has pledged to recruit from the benefit rolls. The Marriott Corp., the hotel concern, thought to be the company that has hired the most welfare recipients, has put 600 such workers through a six-week training program.

The administration's effort comes as part of a national campaign to put nearly 2 million welfare recipients to work over the next five years. The administration begins its effort with one advantage, because agencies each year hire thousands of forestry and park laborers, mail and file clerks, equipment operators and health care aides. But many of those are temporary positions, and the administration will face several daunting obstacles in its effort to meet the goal.

Under the administration's plan, the primary authority for hiring off welfare rolls will be a federal worker-trainee program started in 1968. While the program allows a trainee to become a career civil-service worker after three years, it lapsed into disuse and recruited only 120 workers last year. Wages start at about $13,000 a year.

Moreover, a number of jobs that would appear suitable for welfare recipients are already off-limits, according to an internal administration memo. Positions for guards, custodians, elevator operators and messengers are usually reserved for military veterans, and some other government jobs have been put off-limits by laws directed at specific agencies.

POLITICAL NOTES

Susan Walsh/The Associated Press

David Obey discussing the shoving incident he had with the House minority whip, Tom DeLay.

Indictment Links Drug Money To Democratic-Party Donor

LITTLE ROCK — Almost $30,000 laundered from illegal narcotics transactions was donated to the Democratic National Committee and to President Bill Clinton's 1992 inauguration, according to an indictment returned against an Arkansas lawyer.

Mark Steven Cambiano, 42, of Morrilton, Arkansas, surrendered Wednesday to face a 31-count federal indictment in Little Rock. The indictment charges Mr. Cambiano with laundering $380,219 from drug transactions involving a second Arkansas man, Willard Burnett, who has pleaded guilty to trafficking in methamphetamines and is serving a federal sentence.

The U.S. attorney for the Eastern District of Arkansas, Paula Casey, said that Mr. Cambiano made contributions of $20,000 to the Democratic National Committee in 1992 and $9,770 to the 1993 Presidential Inaugural Committee General Fund, and that both sums came from the laundered money.

"We haven't any reason whatever to believe that any of the recipients of the money were aware of its origins," Ms. Casey said. *(NYT)*

Not Quite a Kiss From Hershey

WASHINGTON — The genteel Spirit of Hershey has gone out with a shove on the House floor.

One month to the day after a House retreat to discuss civility ended in Hershey, Pennsylvania, the House majority whip Tom DeLay, Republican of Texas, and Representative David Obey, Democrat of Wisconsin, engaged in an animated discussion Wednesday that ended with Mr. DeLay's shoving Mr. Obey. A DeLay aide led his boss away before Mr. Obey could offer a rebuttal.

Mr. Obey later sought to minimize the incident. "We're both big boys," he said.

For the record, Mr. Obey did not attend the Hershey retreat because of a scheduling conflict. Asked whether Mr. DeLay had gone, his communications director said: "Yes, he did — and he found it very useful. *(WP)*

Clinton Targets Race Relations

WASHINGTON — President Bill Clinton has ordered his staff to suggest a way for him to play a prominent role this year in improving American race relations, a goal that he is trying to make a focus and legacy of his second term.

Options that his aides are preparing include a conference on race led by the president and a short-term panel modeled on the Kerner Commission, which found in 1968 that the United States was "moving toward two societies, one black, one white — separate and unequal." *(NYT)*

Quote/Unquote

Bob Dole, on his becoming special counsel at a Washington law firm: "The best part will be no filibusters, no cloture votes and no quorum calls." *(NYT)*

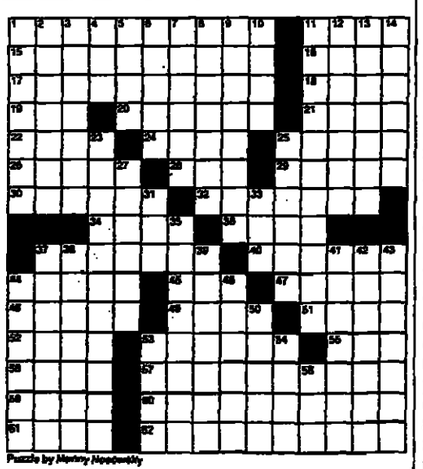
CROSSWORD

ACROSS

1 The Garden of Eden?
11 "I understand now"
15 Eloquent
16 Agent's income
17 Don's family
18 Unit of fat
19 Articles in Le Monde
20 Hospital employee
21 One asking for a handout
22 Things one sings?
24 Skywalker mentor
25 Beach playthings
28 Pitch, in a way
28 O.K. sign, maybe
29 When prompted
30 Camel country
32 Salad style
34 Slant
36 Unwelcome word at an antique shop
37 Words before "signed, sealed, delivered" in a Stevie Wonder hit
40 Find abhorrent
44 Nightclub charge
45 Med. country
47 Monkey or pony
48 Another name
49 "Yes, ——"
51 Ones ranked E-4 to E-9: Abbr.
52 Painter Anthony Van ——
53 Slightly black
55 —— Lunas, N.M.
56 Where el sol rises
57 Tactless
59 Do-well intro
60 Painted
61 Williams and Kennedy
62 Shoot-'em-up

DOWN

1 Intent
2 Taconite, e.g.
3 Grapples with, as a critter
4 Depot: Abbr.
5 Signal on the hour
6 Stockholder's prerogative
7 Loser to Ali
8 Followed, as advice
9 Benzi box
10 Enthusiasm
11 Flemish : Belgium :: Pashto : ——
12 Extravagant behavior
13 Aqua-colored
14 Filtrate
23 Party picker-uppers
25 Dog-tired
27 Judges and juries
31 Popular sushi fish
33 Icelander's catch
35 Oscar-nominated "Exodus" actor
37 Vatican City jurisdiction
38 Tossed out
39 Wander aimlessly
41 Surrounded territory
42 Kid's transport
43 Tile square
44 Rhythmic
46 Deli wares
50 Free-for-all
53 Punjabi believer
54 Lover of Aeneas
58 Bluecoat



Puzzle by Manny Nosowsky

© *New York Times/Edited by Will Shortz*

Solution to Puzzle of April 10

T	S	E	T	S	E		T	R	E	A	D	I	N	G
E	I	T	H	E	R		H	O	S	P	I	T	A	L
A	L	T	E	R	S		I	N	C	I	S	I	V	E
K	L	E	I	G		U	S	E		G	A	S	E	S
			N	E	W	S	M	E	N		P	A	L	S
T	R	A	V	I	A	T	A		A	M	P			
I	A	M	I		R	E	G		T	R	E	A	T	
P	R	E	S	T	I	D	I	G	I	T	A	T	O	R
	A	N	I	C	E		C	R	O		R	O	O	T
		B	U	S		M	A	N	D	I	B	L	E	
C	O	A	L		T	H	O	M	S	O	N			
A	P	R	E	S		A	M	S		A	G	I	L	E
P	T	O	M	A	I	N	E		A	B	A	C	U	S
T	I	M	A	L	L	E	N		U	L	C	E	R	S
S	C	A	N	T	E	S	T		S	E	T	T	E	E

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ASIA/PACIFIC

Planned Curbs on Civil Rights in Hong Kong Reflect China's Insecurity

By Keith B. Richburg
Washington Post Service

HONG KONG — A small, nondescript plaque here at what is now a Buddhist temple marks the spot where, a hundred years ago, a little-known medical student named Sun Yat-sen and a small band of revolutionaries plotted the overthrow of mainland China's corrupt imperial regime.

When Mr. Sun returned triumphant 30 years later, he told students that he got his "revolutionary ideas" here.

Beijing's Communist government has learned a lesson from the revered forerunner of the mainland revolution: Hong Kong historically has been used as a base for sowing subversion inside China. The leadership, aging and insecure, is taking no chances as it prepares to inherit this prosperous but politically troublesome colony in just over 80 days.

A package of tough draft rules unveiled Wednesday by Tung Chee-hwa, China's incoming chief executive for Hong Kong, would impose restrictions on political parties and give the police expanded powers to curb public protests. But they appear aimed not only at such local groups as the popular Democratic Party — although those are bad enough from Beijing's viewpoint — but against unnamed and insidious "external forces" that might try to foment unrest on the mainland.

As Mr. Tung's aides sought Thursday to deflect the mounting outrage over the planned rules, they also delivered two sobering messages for critics — first, the law changes are being forced upon Hong Kong because of decisions made in Beijing, and, second, although citizens are being invited to comment on the laws, the changes reflect a new reality and will be enacted in one form or another, whether the public likes it or not.

In an unusual background briefing for foreign reporters, a senior official in Mr. Tung's office said Thursday that in his view Hong Kong remained a stable, peaceful society with no particular problems of social or political unrest.

"That remains my view," said the official. "But after July 1, when Hong Kong reverts to China, there is I think — maybe not in everyone's mind — but there is concern about whether Hong Kong might be used by foreign forces to try to influence Hong Kong, or to try to influence China in some way."

He said the proposed package of restrictions, and particularly the addition of the vague term "national security" as grounds for banning a group or prohibiting a protest rally, "stems from a misapprehension on the part of some people about Hong Kong being used to influence events in China."

Reaction to the proposals ranged from surprise to outright anger.

Christine Loh, an independent member of the soon-to-be-abolished elected legislature, said she was "amazed" that Mr. Tung chose to cite threats to Hong Kong's stability by unnamed external forces as a reason for the new restrictions.

"Why is our future chief executive publishing such alarmist nonsense?" Miss Loh asked. "It is irresponsible for our chief executive to go about crying wolf about Hong Kong being socially unstable — especially while he himself makes needlessly provocative proposals to curtail civil liberties."

A small group of demonstrators, led by Fred Li, a member of the Democratic Party, held a noisy protest in front of the office complex that houses Mr. Tung's office. The protesters chanted, "Defend the right to demonstrate, defend the right to form organizations."

The police stood by and watched the demonstration. Under the proposed changes, protests would have to receive prior approval — or what Mr. Tung's staff calls a "notice of nonobjection" — and could be banned on grounds of "national security."

Cohen Visits a Tense DMZ

Shots Are Fired Before Defense Secretary's Stop

By Mary Jordan
Washington Post Service

PANMUNJOM, South Korea — Defense Secretary William Cohen visited the demilitarized zone dividing the Korean Peninsula on Thursday, just an hour after South Korean soldiers fired shots to warn off several North Koreans.

The South Korean patrol fired 10 shots after spotting the North Koreans in a restricted area 105 kilometers (65 miles) west of here. No one was hurt, but gunfire along the world's heaviest concentration of artillery and infantry is rattling.

Mr. Cohen said the shooting incident "confirms that it is still a very tense, dangerous, unstable situation."

As he looked across the bleak hills laced with land mines that rise along the DMZ, U.S. military officials said that complicating the world's compassion for the hunger crisis in North Korea was the need to be vigilant against the well-armed army.

Mr. Cohen said North Korea's "Communist theology" had "failed" and it was time for it to fold.

Later in the day, he met with President Kim Young Sam of South Korea to discuss how to respond to the North Korean food shortage that even Pyongyang has admitted is causing starvation deaths.

For the administration of President Bill Clinton, and for the thousands of soldiers here, these are the two problems that make this border so tragic: The military menace precludes any dramatic aid effort, but the knowledge of starving people makes it difficult to wait.

"It's a horrible tragedy," said Lennart Ronnberg, a Swedish major general serving in the United Nations commission here. "I think worse than any African famine."

"We have lots and lots of food, and we are all waiting here to help," General Ronnberg said. But pointing past the guardposts and North Korean soldiers across the demilitarized zone, he added, "Right there are 10,000 artillery pieces and a million soldiers. I don't think any American president wants to send soldiers in to die."

In hopes of a breakthrough that could lead to major aid, the administration has been urging Pyongyang to join four-party peace talks proposed last year by Mr. Clinton and Mr. Kim. Those talks, among the two Koreas, the United States and China, would be aimed at creating a lasting peace to replace the armistice that ended the Korean War.

Pyongyang has said it will respond to the request on Wednesday.

Many observers are encouraged that North Korea may be ready to attend the talks, if only to bargain for more food aid. But some American officials fear that even if the North Koreans come to the peace table, the talks could produce no real results. Pyongyang could then withdraw again from the international community, they say, prolonging the suffering of political prisoners and those slowly dying of hunger.

U.S. officials say that unless North Korea agrees to long-term outside intervention, the food shortages will arise again because its collective farming system is inept and the nation's needs far exceed its supply.

U.S. and South Korean government officials are in the midst of grim discussions as to what course of action would produce the fewest casualties. Some argue that withholding all aid is the more humanitarian course because it would force a quicker collapse of the Stalinist government in Pyongyang.

UN officials said this week that millions of North Koreans may die in the next few months from starvation or hunger-related diseases. Pyongyang admitted later that at least 134 children have died because of the food shortages.

BRIEFLY

Sunil Malhotra/Reuters

Mr. Yadav discussing India's crisis Thursday. He said the United Front was ready for elections.

Talks on Eve of Vote Fail To Save India Coalition

NEW DELHI — Talks to save India's minority government failed Thursday, and Prime Minister H. D. Deve Gowda faced an ouster in a confidence vote that could lead to new elections.

The powerful Congress (I) Party, which has abandoned the governing coalition, ordered its lawmakers to bring down the 10-month-old United Front government in the vote Friday, which was ordered by the president.

With the collapse of the government almost certain, the United Front said it would urge Mr. Deve Gowda to call for general elections. They could be held in May, coalition leaders said in private.

"It's all over," said Laloo Prasad Yadav, a key leader of the coalition. "We are ready for polls if the situation arises." *(AP)*

Bhutto Faces New Probe

KARACHI, Pakistan — The police said Thursday that they would open an investigation after receiving a complaint against former Prime Minister Benazir Bhutto and two of her aides in connection with two murders committed in December 1995.

They said the complaint, also involving Miss Bhutto's home minister, Nasirullah Babar, and the former Sind Province chief minister, Abdullah Shah, was lodged overnight by a representative of the ethnic Muhajir National Movement, a rival to Miss Bhutto's Pakistan People's Party in Sind Province.

It accused the three politicians and two police officials of responsibility in the killings of Arif Hussain and Nasir Hussain, relatives of the movement's chief, Altaf Hussain.

A police official said the complaint had been sealed. There was no immediate information about how it linked responsibility to Miss Bhutto and the others. *(Reuters)*

Japan Defends Aid Cuts

TOKYO — The Foreign Ministry defended on Thursday its reductions in the Official Development Assistance budget for foreign aid.

"There has been a stereotype created of a Japan that simply opens its checkbook and disburses funds, but that is the wrong interpretation," a ministry official said.

The Foreign Ministry said Monday that foreign aid provided by Japan fell 35 percent in 1996, when measured in dollars, to $9.58 billion, the lowest figure in six years.

In yen terms, foreign aid was cut 24.8 percent, to 1,042.5 billion yen, its lowest level in almost 20 years. *(Reuters)*

Far East Border Pact

MOSCOW — President Jiang Zemin of China will visit Russia from April 22 to April 26 to sign a border troop accord with Boris Yeltsin and the presidents of Tajikistan, Kazakstan and Kyrgyzstan.

The treaty, involving Russia, China and the three former Soviet republics, will build on an agreement signed a year ago committing the five countries to confidence-building measures on their borders.

Russian-Chinese border disputes have largely been resolved, but deputies in the Far Eastern Russian region of Primorye urged Moscow on Thursday to halt plans agreed to in 1991 that would give China a sliver of land under a border demarcation deal, the Interfax press agency reported. *(Reuters)*

For the Record

The Taleban administration in Kabul confirmed that Osama ibn Laden, who is wanted by the United States and Saudi Arabia in connection with two bomb attacks that killed 24 U.S. servicemen and two Indians in Saudi Arabia, had moved to the southern city of Kandahar. *(Reuters)*

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BOOKS

THE DOLL

By Boleslaw Prus. Translated from Polish by David Welsh. Revised by Dariusz Tolczyk and Anna Zaranko. 683 pages. Paperback $14.95. Central European University.

THE SINS OF CHILDHOOD & OTHER STORIES

By Boleslaw Prus. Translated from Polish by Bill Johnston. 247 pages. Paperback $14.95. Northwestern University.

Reviewed by Dennis Drabelle

THEY make an odd couple: a hulking, shaggy beast of a novel and a slender volume of short stories, both written by the foremost realist of 19th-century Polish literature and brought out by different publishers within a few months of each other. Then, too, "The Doll" is very much an urban novel, teeming with the hubbub of Warsaw and Paris, while many of the tales in "The Sins of Childhood" have rural or small-town settings. Boleslaw Prus (the pseudonym for Aleksander Glowacki, 1847-1912) — also the author of an early feminist novel and a historical novel about ancient Egypt, as well as a longtime newspaper columnist — was a man of many parts.

"The Doll" has a theme beloved of socialist critics: the self-wounding passion of a bold bourgeois entrepreneur for a decadent noblewoman.

After marrying advantageously, the entrepreneur, Stanislaw Wokulski, built up his wife's family's haberdashery into Warsaw's most profitable store. As the novel opens, he has buried his wife, inherited the store, and scored a great coup — going off to Bulgaria and making a fortune by wartime profiteering. Flush with his triumph and conscious of his remote aristocratic connections, he falls hard for Izabela Lecka, an idle beauty who has sustained well into adulthood her childish conviction that she is "a goddess or nymph imprisoned in a body."

At first she — and the old, rich men who orbit her — can barely conceal their contempt for Wokulski. But so many of those grandees, and particularly Izabela's father, come to depend on Wokulski for financial advice and loans that soon he has insinuated himself into their circle. He wages his courtship with painstaking calculation — whole seasons go by with hardly a budge in his and Izabela's positions — and gnawing self-doubt. At one point he almost scraps a trip to Paris that promises enormous profits in order to cater to Izabela's whims.

But travel he finally does — a good move on every count. He makes his money, causes Izabela (in a rare moment of reflection) to wonder if she's losing her magnetism, and furnishes the novel with some of its most striking passages. What moves Wokulski about Paris is not just its splendor and high life but its social potpourri.

The shadow of the Czar looms over "The Doll." Some of the characters hark back to a failed 1863 uprising in which the author took part as a 15-year-old, and a passage disapproved by Czarist censors appears as an appendix. A more overt motif is the position of the Jew in Poland. Typically a character will disavow prejudice in one breath and practice it in the next, as in this reaction to the rumor that Wokulski (who wants to transcend his background in trade) is selling his store to a Jew: "It's one thing not to be an anti-Semite, and another to work for the Jews." Prus's own view — if Wokulski can be taken for his mouthpiece — combines a strained social Darwinism with that tendency toward sweeping generalization that infects so many human pronouncements about race: To a prediction of coming "trouble with the Jews," he replies: "There's already been a great deal, it's gone on for over eighteen centuries, and what's the outcome? Very noble individuals have perished in anti-Jewish persecutions, and the only ones to survive were those who could protect themselves from destruction. So now what sort of Jews do we have? Persistent, patient, sly, self-reliant, quick-witted, and commanding a mastery of the one weapon left to them — money. By wiping out everything that was good, we have produced an artificial selection and protected the worst." But couldn't pagans everywhere have said something similar about early Christians?

Like most 19th-century novels of comparable size, "The Doll" has its longueurs (it was originally serialized in a newspaper, which may account for some of its bagginess). But on behalf of the groundling in every reader Prus has interwoven a slapstick subplot about a litigious baroness-landlord and the university students who pelt her with slops whenever she pays her building a visit, and in any case Wokulski — an amalgam of resentment and generosity, shrewdness and simplicity — is an unfailingly interesting character. And since so little of old Warsaw survived the bombing of World War II, "The Doll" can serve as a Baedeker to a lost city.

THE collection's title story is a tragicomic depiction of puberty in a context of class barriers; it seems to wander loosely from incident to incident until near the end, when a satisfying pattern emerges. The most powerful story, though, is "From the Legends of Ancient Egypt," which rivals anything in "The Thousand and One Nights" for shapely exoticism. Prus plainly has a flair for this material, and this reader was left yearning to have the Egyptian novel ("The Pharaoh and the Priest") back in print soon.

Dennis Drabelle, a Washington writer and editor, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

ALAN Sontag of Manhattan is a fast-thinking, fast-talking former world champion who in the last year has been runner-up in all three major national team events: the Spingold, the Reisinger and the Vanderbilt. A string of second places is distinctly less likely than a string of victories — watch this space to see if it continues.

In the closing stages of the Vanderbilt final in Dallas, Sontag made valiant efforts to erase his team's deficit. He deliberately bid a slightly optimistic grand slam, which would have evened the score if a finesse had succeeded. Sadly for him, it did not. And on the diagramed deal he achieved a paradoxical success.

One would expect North to play in three spades, and that happened at one table. Everything went wrong for the declarer, who allowed the defense to win the first trick when a club was led to the jack.

He won the next club lead, and cashed two top spades and the heart ace. He ruffed his last club and cashed the heart king, losing five tricks for down one.

In the replay, as shown, Sontag as South landed in game, but in the unlikely 5-2 heart fit instead of the obvious 5-3 spade fit. He won the opening club lead with dummy's ace, cashed the heart ace and finessed the jack.

He then cashed the king, leaving East with a winner, and led the spade ten. This was covered with the queen and ace, and the king was led from dummy.

East ruffed with the heart queen, an error, and Sontag carefully unblocked with the spade eight. He was still in jeopardy: He would have failed by at least one trick if East had now shifted to diamonds. But the defense continued clubs, and he was able to ruff the third round, finesse the spade six and claim ten tricks. He had made two more tricks in the "wrong" contract than the rival declarer had made in the "right" one.

NORTH (D)
♠ A K J 6 4
♡ A 2
◇ 10 8 7
♣ A 7 3

WEST
♠ Q 9 5 2
♡ 10 7
◇ A J
♣ K Q J 8 5

EAST
♠ 7
♡ Q 8 5 3
◇ K 5 4 3 2
♣ 10 6 2

SOUTH
♠ 10 8 3
♡ K J 9 8 4
◇ Q 9 6
♣ 9 4

Neither side was vulnerable. The bidding:

North	East	South	West
1 ♠	Pass	2 ♣	3 ♣
Dbl.	Pass	3 ♡	Pass
4 ♣	Pass	4 ♡	Pass
Pass	Pass		

West led the club king.

EUROPE

Prodi to Gain Crucial Ballots

Far Left Backs Him in Deputies' Vote of Confidence

The Associated Press

ROME — The leader of Italy's hard-line Communists said Thursday that the party would give Prime Minister Romano Prodi the backing he needs to win a vote of confidence in the Chamber of Deputies.

The vote was called after the Refounded Communist Party refused to back the center-left government on sending troops to Albania as part of a multinational force.

When the conservative opposition decided to join forces on the issue, the mission won approval from Parliament on Wednesday. Afterward, President Oscar Luigi Scalfaro told Mr. Prodi to win renewed backing for his coalition in a vote of confidence.

Italian news agencies quoted the leader of the Refounded Communists, Fausto Bertinotti, as saying that his party would support Mr. Prodi.

Earlier, the prime minister appealed to the Senate, which was voting Thursday evening on the confidence measure, for its backing. He commands a majority in the Senate, but not in the Chamber of Deputies, which is expected to hold its confidence vote Saturday.

Thus hard-left Communist votes are crucial in the lower house.

Before Parliament voted final approval on Wednesday for the mission to Albania, a political fight threatened to bring down the nearly year-old center-left government because Mr. Prodi's Communist allies refused to back the deployment. In a last-minute deal, Mr. Prodi was forced to turn to the center-right opposition to win approval.

But the Prodi government "remains the only coalition possible and one must know how to make the best of it," Mr. Bertinotti said shortly before the prime minister addressed the Senate.

He said that the 6,000-member mission to protect humanitarian aid would begin Monday, 18 days after the United Nations gave its approval to Italy's urgent request. Italy is to supply the most troops.

Fiat Chief May Face New Charge

Compiled by Our Staff From Dispatches

ROME — The Rome prosecutor's office wants Fiat's chairman, Cesare Romiti, to stand trial for corruption in connection with the building of Rome's Metro, judicial sources said Thursday, a day after he was found guilty on unrelated corruption charges by a Turin court.

The car giant's finance director, Francesco Paolo Mattioli, who was found guilty along with Mr. Romiti on Wednesday, is also wanted by the Rome prosecutor in the subway investigation. Prosecutors are also seeking to prosecute Umberto Beliazzi, a former top executive at Fiat's Rome headquarters.

The Turin court imposed an 18-month suspended sentence on Mr. Romiti for falsifying the company's accounts, committing tax fraud and illicit funding of political parties.

Mr. Mattioli was given a 16-month suspended sentence for similar offenses, only with no tax evasion charges.

The court also banned both men from working for Fiat, but the ban will not go into immediate effect because of a probable appeal, which will defer a final sentence for years.

The allegations involving the Metro center on bribes of about a million dollars that the three men were reported to have paid or offered between May 1983 and February 1992, notably to former Prime Minister Bettino Craxi and an official of the subway company, Intermetro, as part of a giant kickback scheme. Mr. Romiti was managing director of Fiat at the time.

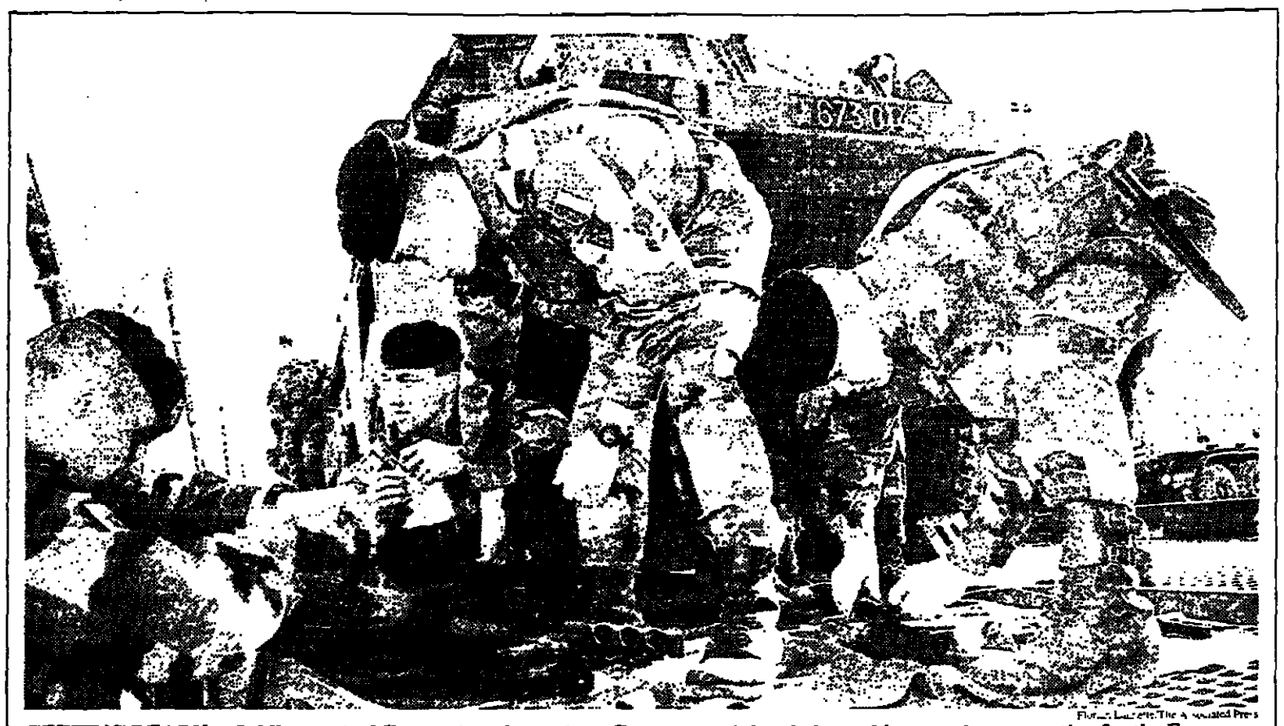
Part of the money, the judicial sources said, was paid to Vittorio Sbardella, the Rome treasurer of the Christian Democratic Party, and Clelio Darida, Rome's mayor, in a bid to secure contracts for Fiat's construction subsidiary to build the Rome Metro. Prosecutors also named another key figure, Giorgio Moschetti, the sources said.

Mr. Romiti's lead attorney, Vittorio Chiusano, noted that the court has rejected three previous requests for trials in the subway inquiry. *(AFP, AP)*

The Associated Press

Cesare Romiti, 73, the chairman of Fiat.

BRIEFLY



Florian Lafrate/The Associated Press

GETTING READY— Soldiers at the Miramas base in southern France examining their machine guns in preparation for the European humanitarian mission to Albania. France plans to send 1,000 troops to join the 6,000-member mission that is being headed by Italy.

Negligence in Airport Fire

DUESSELDORF — Gross negligence was blamed Thursday for a fire that killed 17 people a year ago at Duesseldorf's international airport.

Presenting preliminary conclusions from an inquiry into the fire, a senior prosecutor, Jochen Ruland, said flammable polystyrene sheets were used in the construction of the terminal in the 1970s, contrary to building regulations.

The aluminum-coated polystyrene sheets in the arrivals hall ceiling caught fire during welding work, spreading deadly toxic fumes through the building in what was Germany's second-busiest airport after Frankfurt.

Mr. Ruland said his office was investigating 10 people in all, mostly for "negligently causing a fire with fatal consequences." They include a member of the company that built the airport and a building regulations supervisor. Four were being investigated in connection with the apparently locked security door of an Air France lounge, where seven people died. *(AFP)*

Polish Minister Is Fired

WARSAW — The president of Poland has dismissed the agriculture minister and deputy prime minister, Roman Jagielinski, the presidential press office said Thursday.

President Aleksander Kwasniewski fired the minister at the request of Mr. Jagielinski's own Peasant Party, which accused him of incompetence. No replacement was named.

The party complained that the minister's policies resulted in a food trade deficit last year and low grain prices for farmers. *(Reuters)*

German Vote Law Upheld

KARLSRUHE, Germany — Germany's highest court on Thursday upheld voting laws that assured Chancellor Helmut Kohl a workable majority in Parliament.

The court said the so-called overhang mandates that gave Mr. Kohl a 10-seat majority did not discriminate against any party. These "overhang mandates" arise from Germany's two-vote system, where each voter can cast one ballot for a specific candidate and a second for a party.

The second vote is usually the more important, because it gives the percentage each party wins. But if a party wins more direct seats on the first ballot than it should have according to the second vote, new seats have to be created. A bumper crop of 16 overhang mandates, mostly for Mr. Kohl's party, were created at the last general election, in 1994.

The court also upheld a complex law concerning small parties that allowed East German reform communists to be returned to Parliament in 1994 even though the candidates had not attained the normal 5 percent minimum vote. The decision means Germany's election laws will not be changed for the 1998 election. *(Reuters)*

Battle Over Privatization

LONDON — The opposition Labour party has hit unexpected turbulence in the election campaign over its position on privatization of air traffic control.

Prime Minister John Major seized on the issue Thursday, saying that reported contradictions in Labour's policy raised doubts about whether the party, well ahead in opinion polls before the May 1 election, could be trusted in government.

"If they are really talking about trust, perhaps they can clarify the position over air traffic control," Mr. Major said at a news conference.

Labour, which once vehemently opposed the Conservative government's notion of selling the control system to private owners, now says it would consider a sale. Party leaders said the position changed in February, but a union official said Thursday that party leaders were still assuring him in March that privatization was ruled out.

The Labour party leader, Tony Blair, said in a BBC radio interview that the policy had changed because the income from the sale of the air traffic control system was part of the government's budget plan. He said the change of policy was announced in February.

But Joe Magee of the Institute of Professionals, Managers and Specialists, which represents traffic controllers, said Labour leaders had assured him a month later that the system would not be sold into private hands. *(AP)*

Ghosts of War Haunt Rubin's Vietnam Trip

But U.S. Treasury Chief Sees No Bar To Spreading the Free-Market Gospel

By Clay Chandler
Washington Post Service

HO CHI MINH CITY — To hear Treasury Secretary Robert Rubin tell it, the final meeting of his whirlwind tour through Vietnam could not have been more cordial.

In his hourlong conversation with Do Muoi, the general secretary of the Communist Party, Mr. Rubin praised the industriousness of the Vietnamese while Mr. Do, Mr. Rubin recounted later, professed "a great deal of goodwill toward the United States."

But the setting for this polite exchange Tuesday was heavy with the symbolism of past conflict. Reunification Hall, the sterile presidential palace built by U.S.-backed leaders of the former South Vietnam, looked almost exactly as it was on April 30, 1975, when Saigon fell to North Vietnamese forces. From the front balcony, members of the Treasury delegation, which included at least five Secret Service agents who served in Vietnam during the war, could gaze down on the tank reputedly used to smash through the front gates.

The ghosts of the war were never far during Mr. Rubin's two-day visit through this country, despite his efforts to elude them. He skipped a visit to the nearby Museum of War Crimes with its grisly photos of the Mai Lai massacre. His motorcade did not even slow down as it barreled past the unoccupied former U.S. Embassy building.

Mr. Rubin, the highest-ranking U.S. economic official to visit Vietnam since 1975, rejected suggestions that the war's legacy has complicated the two countries' efforts to fully "normalize" their relations.

"I didn't see any issue there," he said when asked to assess the impact of lingering wartime animosities on his talks with Vietnamese leaders. "I got a sense that this was a group of people who made a decision some time ago that they wanted to move to a market economy, but they didn't have any experience with a market economy."

But Mr. Rubin's visit also demonstrated how the Clinton administration must tiptoe through domestic political minefields as it seeks to expand commercial ties to this potentially important U.S. trade partner.

Mr. Rubin went out of his way to assure reporters traveling with him that he raised both human rights and concerns about lost U.S. prisoners of war in each meeting with Vietnamese officials.

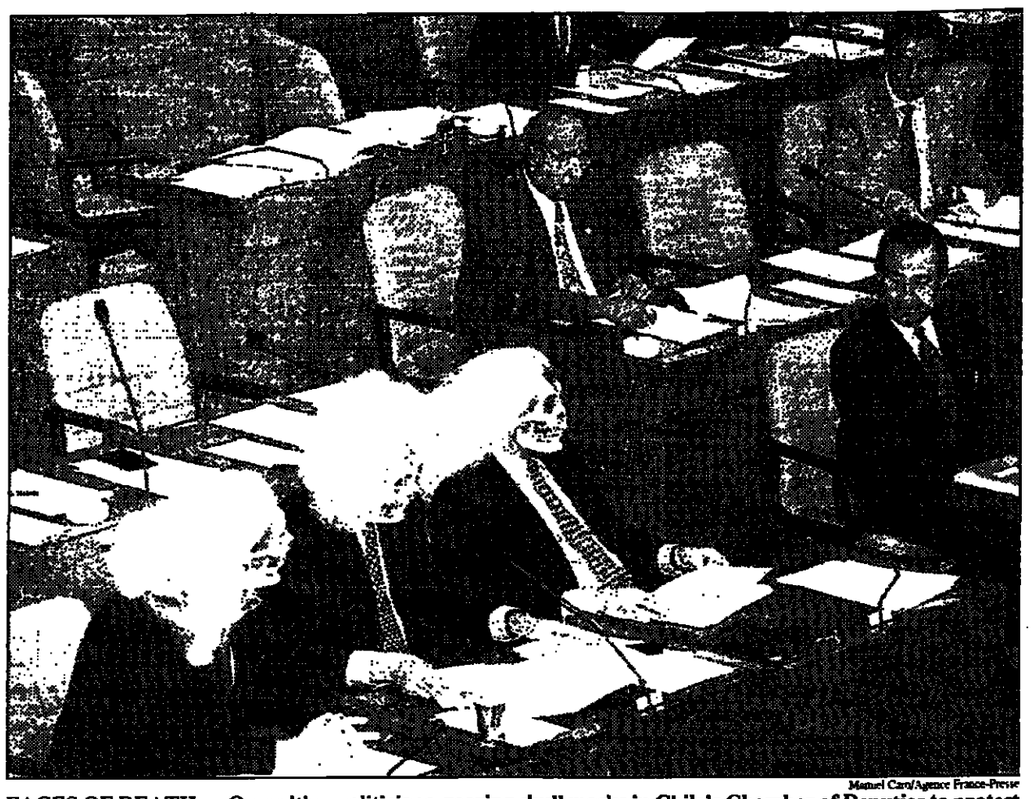
A photo album presented to Mr. Rubin by the Vietnamese government upon his departure shows the Treasury secretary clinking glasses with officials from the Vietnamese Ministry of Finance at a banquet in Hanoi on Sunday. But those images will not show up in American newspapers: the event was off-limits to the press.

The ostensible reason for Mr. Rubin's visit this week was the signing of an agreement that commits Hanoi to repay $145 million in debts incurred by the government of the former South Vietnam. Never mind that the accord puts Washington in the position of demanding repayment from one of the poorest nations in the world, and puts Hanoi in the position of retroactively footing part of the bill for a war against itself. The agreement was an important concession to Vietnam's critics in Congress.

Mr. Rubin, who was well along in his Wall Street career when the United States became heavily involved in Vietnam, displayed little interest in such complexities this week. Instead, he focused on spreading the gospel of free-market capitalism.

Amaury Nicole Brunet/Reuters

POLITICAL JOKE — Prime Minister Alain Juppe of France sharing a light moment Thursday with supporters at a market in Auch, southern France, where he was chairing an interministerial meeting.



Manuel Caro/Agence France-Presse

FACES OF DEATH — Opposition politicians wearing skull masks in Chile's Chamber of Deputies to protest the government's decision to oppose a law that would provide economic assistance to terminally ill patients.

Ex-Leader of Mexico Is Implicated

Salinas Linked to Cover-Up of Brother's Role in Assassination

By Julia Preston
New York Times Service

MEXICO CITY — Mexican prosecutors have released evidence suggesting that former President Carlos Salinas de Gortari took part in a cover-up of the role his brother is accused of playing in a 1994 political assassination.

The special prosecutor said Wednesday that, according to new testimony, the former president was officially informed early on that his older brother's name had come up repeatedly in the investigation of the shooting death of a prominent politician.

Within days of the murder, Mr. Salinas arranged a meeting at the presidential palace for his brother, Raul, and the Mexican attorney general, and at that meeting, Raul Salinas asked to be left out of the inquiry, according to the testimony.

The disclosures mark the first time that government investigators have directly implicated the former president in the expanding scandals involving his brother.

Prosecutors did not say that they had opened an investigation of the former president, who has never been charged with a crime. Rather, they presented the evidence to revive the case against Raul Salinas, which had been on the brink of collapse. He is charged with being the mastermind of the slaying.

When Mr. Salinas was in office, he was embraced as a close ally by the United States, but soon after his term ended in 1994, he plunged into disgrace and was forced into exile.

Mr. Salinas has maintained that during his presidency he was unaware of most of his brother's business and personal dealings. Recently he has remained silent rather than defend his brother against mounting charges of graft and fraud. But he has continued to say that he is convinced his brother is innocent of the murder of the politician, Jose Francisco Ruiz Massieu. Mr. Ruiz Massieu had been married for a time to a sister of Carlos and Raul Salinas and was a close friend of Carlos.

The new evidence includes a recently discovered audio cassette and a statement given in January by the former president. The prosecution entered the evidence into the court record Wednesday, said the special prosecutor, Jose Luis Ramos Rivera.

The evidence refers back to events surrounding the Ruiz Massieu killing and its first investigation. Mr. Salinas hastily appointed Mr. Ruiz Massieu's brother, Mario, as the first special prosecutor in the case, with orders to report directly and exclusively to him.

After Mr. Salinas left office, a new attorney general brought charges against Raul Salinas as the person planning the slaying. He also accused the first special prosecutor of twisting the investigation to conceal any mention of Raul Salinas.

Mexico tried unsuccessfully to extradite Mario Ruiz Massieu from the United States to face charges of cover-up and abuse of authority, among others. He is living in New Jersey.

Part of the new testimony comes from Victor Humberto Benitez Trevino, attorney general in the last years of the Salinas presidency. He testified that he strongly objected to Mr. Salinas's choice of Mario Ruiz Massieu to investigate the killing of a member of his own family.

Mr. Benitez said in testimony in February that Mr. Salinas summoned him to his offices in the presidential palace a few days after the Mexico City murder. But instead of seeing the president, Mr. Benitez said he was ushered into a side office where he found Raul Salinas, "who expressed his concern that he might be connected to the investigation."

In Carlos Salinas's statement, taken in Dublin, where he is living, the former president acknowledged that Mario Ruiz Massieu told him soon after taking over the investigation that Raul Salinas's name had been mentioned more than once in connection with the slaying.

A former special prosecutor who was building the murder case, Pablo Chapa Bezanilla, is a fugitive from justice, accused of bribing witnesses and conspiring to frame Raul Salinas by planting a body on his horse ranch.

The prosecutors who took over from Mr. Chapa last December said Wednesday that they had found an audio tape of a session in which investigators questioned a key witness one day after the killing. The witness is serving a jail sentence as accomplice to murder for buying the weapon. On the tape, the witness can be heard twice naming Raul Salinas as the man who ordered the killing.

Prison Chiefs Quit Over Uproar

Washington Post Service

MEXICO CITY — The chief of Mexico City's prison system and the director of a prison where powerful drug traffickers turned maximum security cells into comfortable quarters have resigned over charges they tolerated corruption and special privileges for well-connected inmates.

Mexico City human rights officials, who have pressed the municipal authorities to end the prison abuses, said the resignations were prompted by a Washington Post article.

That article, published in the International Herald Tribune on March 24, described pervasive corruption and the lifestyles of powerful prisoners at the *maximum security area of Reclusorio* Norte prison.

The article said the prisoners had at their disposal spacious rooms, cooks and maids, cellular phones, a gymnasium, a sauna and manicured gardens where they held barbecues, as well as regular access to drugs, women and alcohol.

In addition, it quoted inmates and former prison officials saying that many of the drug traffickers and others continue to run their illicit operations from inside the prison on the northern edge of the capital.

"It provoked a commotion when The Washington Post called attention to these circumstances," Luis de la Barreda, chairman of the city Human Rights Commission told the city assembly this week in his annual address to the lawmakers, "but not when the commission raised the same charges in our recommendation in 1995."

Prison system sources said they expect more resignations and dismissals. Raul Gutierrez Serrano, director of the capital's nine prisons, resigned Tuesday.

Saul Moctezuma Herrera, director of Reclusorio Norte, has also resigned, his secretary said Wednesday.

Human rights officials and former prison officials say that problems of corruption within prisons and the special privileges granted to major narcotics traffickers and other high-profile inmates is rampant throughout the country.

BRIEFLY

Ex-President Sued By Zimbabwe Aide

HARARE, Zimbabwe — Canaan Banana, former president of Zimbabwe, has been sued for 1.3 million Zimbabwe dollars ($115,248) in damages by a former police aide who accuses Mr. Banana of raping and forcing him into a homosexual relationship.

Byron Hove, a lawyer acting for Jefta Dube, a former police inspector, confirmed press reports Thursday that he had filed a civil lawsuit with the high court on March 25.

Mr. Banana, 61, who was a largely ceremonial president for seven years until 1987, is under police investigation on charges that he abused Mr. Dube, 35, while he was his aide-de-camp in the 1980s. Mr. Banana was unavailable for comment on the lawsuit.

Mr. Dube was jailed for 10 years in February for the fatal shooting in 1995 of a fellow policeman who goaded him by calling him "Banana's wife." *(Reuters)*

EU Limits Its Role In Mideast Peace

THE HAGUE — The European Union wants to share in Middle East peace diplomacy but sees its role as supplementary to that of the United states, Prime Minister Wim Kok of the Netherlands said Thursday.

"The European Union chooses a balanced approach," Mr. Kok said at a news conference with Prime Minister Benjamin Netanyahu of Israel. "We want to play a role in the talks in addition to the Americans, not instead of the Americans. Taking into account the leading role of the Americans — but supplementary to the leading role of the Americans — the Europeans play a role."

Mr. Netanyahu was in the Netherlands for political and economic talks with the Dutch, who now hold the revolving EU presidency, although discussions were dominated by current Israeli-Palestinian violence. *(Reuters)*

China Blocks FBI

WASHINGTON — China's refusal to let U.S. law-enforcement services open an office in Beijing could hurt efforts to fight surging global crime organized in Asia, a senior FBI official charged Thursday.

The State Department, Justice Department and Congress have all approved plans to open an office for the Federal Bureau of Investigation to share with the Drug Enforcement Administration in Beijing, the deputy assistant FBI director, Alan Ringgold, told a Senate panel.

But when the U.S. Embassy in Beijing sought formal approval from Chinese authorities, he said in his prepared testimony, "the answer was, 'not at this time.'"

"All of the efforts of our government to date to move that issue forward have failed," Mr. Ringgold said. *(AFP)*

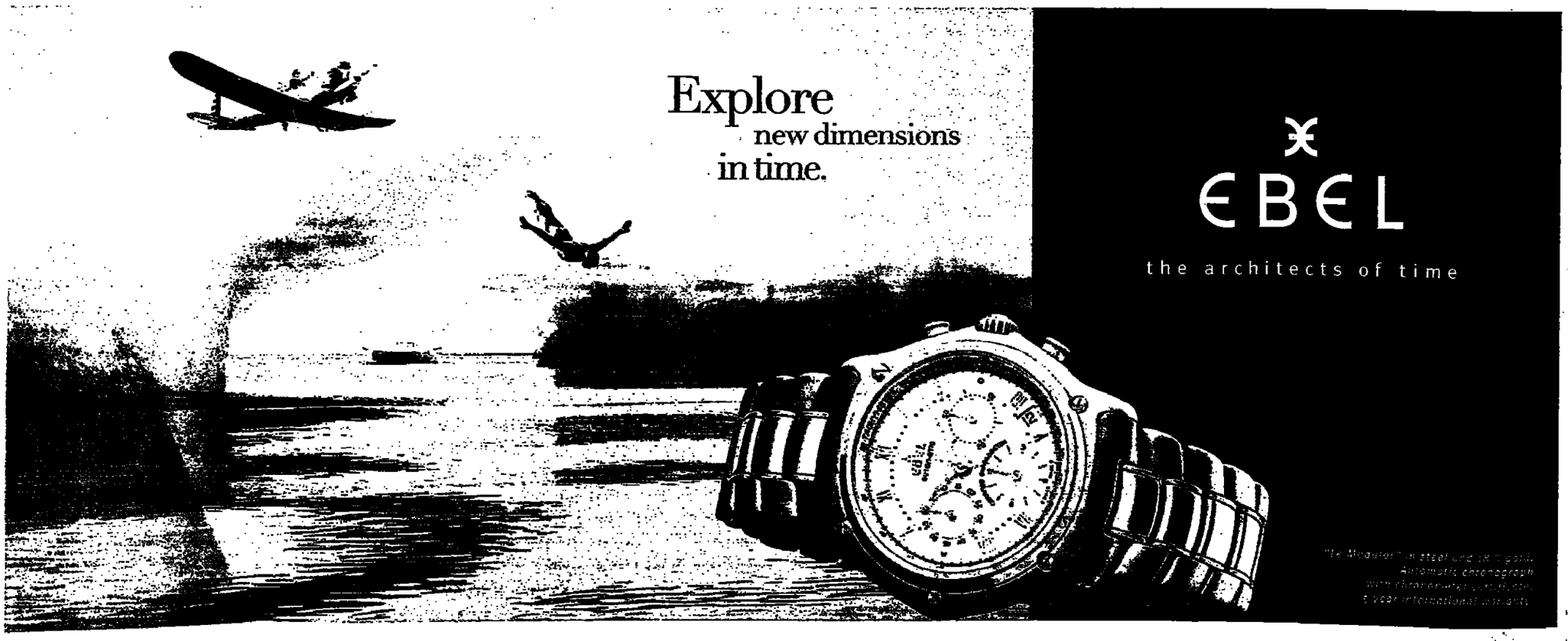
Swiss No Longer Say, 'The Cat's in the Mail'

Agence France-Presse

ZURICH — Swiss citizens will no longer be able to pop their cats into the mail after the authorities introduced new measures Thursday tightening up on animal deliveries.

The new rules ban the mailing of any animals weighing more than 15 kilograms (33 pounds) "except beehives, which can weigh 20 kilograms."

Under the measures, cat shipments are banned altogether, while such pets as parrots and rabbits can only be sent in aerated containers and by express delivery. About 85 animals are mailed daily, mainly to laboratories.



INTERNATIONAL

Wives of Peru Hostages Speak Out

After 4 Months of Anguish, They Plead for More Information

By Calvin Sims
New York Times Service

LIMA — Like many other relatives of the 72 hostages in the Japanese ambassador's house here, Lucy de Cordova did not sleep on Easter night, March 30, after hearing that negotiations to end the crisis had failed and that the military was planning a raid at 3 A.M.

Fearing the worst, she made urgent calls to officials begging them to call off the rumored attack, met with the wives of other hostages and prayed.

The rumor of a military strike out to be mistaken. But Mrs. Cordova, who is a leader of a support group for wives of hostages and whose husband, Dante, was once the chief of Peru's cabinet, said the women lived in fear that the longer the crisis lasted, the more likely it was to end in bloodshed.

"We, the wives of the 72 hostages, have decided to come forward in order to stop what we see as a movement toward a violent solution to the crisis," Mrs. Cordova said. "Our priority is saving the lives of our husbands, and that must come before all other agendas."

After remaining quiet for the nearly four months since Marxist guerrillas captured the ambassadorial residence Dec. 17, the wives are beginning to speak out, expressing frustration with a lack of information from the government. They said they spent much of their time monitoring television and radio news reports and investigating rumors, often about plans for military action.

The women said it was not easy for them to come forward, because many of their husbands hold top positions in the government. They emphasized that they did not want their statements used to advance the agenda of either the government or the Marxist rebels but only to obtain the release of their husbands.

"Many of us sleep with the radio on at night, and when we awake we hurry to buy the newspapers, hoping to read something that will give us a sense of when this horrible nightmare will end," said the wife of a Japanese diplomat, who spoke on condition she not be named. "We are all going to need a lot of counseling and therapy once this is over."

The wives spend much time monitoring television and radio news reports and investigating rumors.

Direct talks between the government of President Alberto Fujimori and the Tupac Amaru Revolutionary Movement broke down March 12 when both sides refused to compromise over a central rebel demand — the release of hundreds of jailed guerrillas.

In the interim, a commission of mediators has been working to bring the two sides back to the negotiating table.

In recent days, Mr. Fujimori has said in television and radio interviews that he is still working to achieve a peaceful end to the crisis but that such a resolution may take some time.

The wives of the hostages said that while they had faith in Mr. Fujimori, they were less sure about the military and intelligence officials who were advising him and who they said had been pressing the president to take military action.

As they await the final outcome, the strain of managing a household and raising children without their husbands is starting to take a physical and emotional toll on many.

They said they had come to rely on one another for support.

The women usually meet twice a week in the International Red Cross Mission in Lima.

They go to the mission to drop off clean laundry, medicines, toiletries and letters for their husbands and discuss ways to adjust and exchange information that they have gathered on the negotiations.

When her emotions run low, Mrs. Cordova said, she finds strength in a passage from one of her husband's letters: "Even though the garden outside is dry now because no one has watered it for some time, there are still a few flowers growing, particularly a beautiful rare white one. I want to get out of here as soon as possible to bring it to you before it withers."

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Meet Martin Lee

The Clinton administration has a rare opportunity to remedy what rightly struck many people as a foreign policy mistake — Vice President Al Gore's dispatch to China last month without a stop in Hong Kong to demonstrate U.S. support for that colony's threatened liberties. That omission could be repaired on Monday if President Bill Clinton agrees to meet with Hong Kong's leading democratic politician, Martin Lee, who is currently visiting the United States.

A British colony with a population of 6 million, Hong Kong is an oasis of freedom clinging to China's southern coast, with an elected legislature, an independent judiciary and civil service and an almost religious devotion to unfettered capitalism. Less than three months from now, however, it will revert to Communist China under a British-Chinese agreement signed in 1984. China promised then to respect Hong Kong's freedoms under a "one nation, two systems" formula, but already it is going back on that promise. It has handpicked a provisional council to replace the independent-minded elected one, and made clear that basic rights will be circumscribed. On Wednesday it published proposed new restrictions on freedom of assembly and on political parties.

Mr. Lee, chairman of the Democratic Party, has for more than a decade been leading the campaign to preserve Hong Kong's rights. He has made clear that more is at stake than the fates of 6 million people. If Hong Kong's liberties are preserved, they could provide an example for mainland China; if not, the prospects for democratization in Beijing will be set back. That is not to mention Hong Kong's value to America as trading post and window onto China.

The Clinton administration has been far too reticent as China has prepared to dismantle Hong Kong's democracy. A Clinton-Lee meeting would go a certain way toward correcting the impression that the United States doesn't much care. As head of Hong Kong's most popular party, the clear winner in the most recent elections, Mr. Lee has the legitimacy and standing to merit a presidential visit. Between now and the June 30 handover, there won't be many other such opportunities.

— THE WASHINGTON POST.

Japan, China and the United States Together

By Tom Plate

TOKYO — If Japan had a foreign policy even half the match for its economy, this would be something to behold. For, notwithstanding the nerve-shattering downturn in the yen, Tokyo remains incandescent. You drive through the streets of this kaleidoscopic powerhouse of a world capital feeling that you are near the center of planet Earth's human energy core. Bow your head to success.

But respect another, different reality: Japan, hobbled by a coalition government, not to mention its culture of caution, has yet to step up to its destiny as a major international player. This remains the nation of a thousand reasons for saying "no" to any foreign initiative that would put it on the line.

Yukihiko Ikeda would never admit to it publicly, but I have to believe that the widely admired minister of foreign affairs must be frustrated by Japan's often dormant diplomacy.

As I interviewed him at the glacially gray Foreign Ministry on Friday, I envisioned Japan with its arms and legs pinned down inside a cocoon, struggling, with an alert, fluttering sensibility like Mr. Ikeda's, to spread its wings.

The previous weekend, Mr. Ikeda had been tending to his country's business in the People's Republic of China. Aides still had smiles on their faces because of China's pointed avoidance of even a mention of their tense territorial dispute over what the Japanese call the Senkaku Islands.

While determinedly chain-smoking, Mr. Ikeda smiled, too, and allowed for the "steady improvement in the bilateral relationship," but he seemed to be searching for something more.

He emphasized that neither Japan nor China alone can ensure Asia's peace and prosperity — nor, he insisted, can Japan and Washington without China.

"It is indispensable," he said, "for these three countries to maintain a favorable relationship and further develop this trilateral good relationship. On the part of China, they have been showing more eagerness — that is, a positive posture — to try to develop and expand a better relationship with the United States and Japan and become a fully involved member of the international community."

He believes that a central task of statesmanship is to assure the Chinese that the world is not actually out to get them. So he took pains in Beijing to explain that the 1960 Japan-U.S. security pact was not just one continuing plot to contain China, despite the dramatic strengthening of this bilateral insurance policy in the rocky aftermath of Beijing's missile-tipped tantrum over the Taiwan issue last year.

"We mentioned to China that [the revised pact] was not devised with China as a target in mind, but rather it serves as a kind of international public good for the stability of the region at large."

Beijing's leaders could only be pleased by Mr. Ikeda's thought on the Taiwan unification issue: "I believe tension will not be caused from the Chinese side at this time," he said. His eyes met mine when I referred to U.S. congressional posturing over Taiwan. Then he added: "If I started talking about this, I would have to refer to the remarks made by the men in the U.S. Congress. I would like to refrain from making any comments."

I broached the latest taint on America's image in Asia — last week's alleged assault by a U.S. serviceman on a Japanese woman. Whether or not it occurred as charged, it only served to revive memories of the far worse incident last year involving the rape of a Japanese 12-year-old by three U.S. servicemen stationed in Okinawa.

Mr. Ikeda passed up the opportunity to lecture, and instead pointed to his government's current effort to extend the expiring lease on the U.S. base in Okinawa as evidence of an unswerving commitment to a continued U.S. troop presence in Japan.

He praised the current U.S. focus on the China relationship, even, he suggested, if it comes at the expense of some attention to Japan.

Last week the influential Beijing Review implicitly endorsed the Ikeda view of the surpassing importance of the triangular relationship. As he put it to me, "It is not a zero-sum game where one becomes better and the other will deteriorate ... There will be a synergistic effect ... and a plus-sum game."

I hope he is right. Northeast Asia, with, by some estimates, about 25 percent more soldiers under arms than all of NATO, is one big blowout ready to happen. Military budgets are up almost everywhere. Since the end of World War II, geopolitical conflicts in Korea and Vietnam have cost more than 100,000 American lives.

Japanese diplomacy is still a long way from blooming, but it is a consolation to have a closet internationalist like Mr. Ikeda at its helm, working as he is to free Japan from the cocoon.

Los Angeles Times.

Born in Germany

The key to German identity is found in the blood. A German is not someone born in Germany but someone born to ethnic German parents anywhere in the world. Many other nations define citizenship the same way, but Germany's Nazi past gives the concept a different resonance. Now a remarkable new debate in Germany may change the German concept of citizenship.

The Social Democrats and Free Democrats would like to grant citizenship to anyone born in Germany. Some would allow dual citizenship for those with foreign-born parents. Several members of Chancellor Helmut Kohl's Christian Democrats join them, but the proposal is opposed by most of his party, and by the Bavarian partner in his conservative coalition, the Christian Social Union. They argue that Germany, unlike America, is not a country of immigrants. Parties further to the right put it differently: Germany is an ethnic German state.

That, however, is no longer the reality. Eager to separate itself from its Nazi past, Germany has accepted twice as many asylum-seekers as all other nations in Europe combined. The influx slowed considerably with a harsh law limiting political asylum in 1993, but today one in 12 people living in Germany is a foreigner. Germany's political culture has not caught up.

While hundreds of thousands of Germans have demonstrated against neo-Nazi arson and the assaults and murders of foreigners, millions more treat foreigners as intruders. Recently, Germany has drawn world disapproval for deporting Bosnian child refugees. Neither the government nor civic organizations have significant programs to help foreigners integrate. The country still has no law regulating immigration.

The debate about liberalizing Germany's citizenship laws is politically permissible because a new law would not admit new immigrants. It would apply only to people born in Germany. One in five new babies born there is not German. The largest group of foreigners, about 2 million, are ethnic Turks. Beginning in the 1960s, Germany invited what it called "guest workers" from Turkey to take undesirable low-paying jobs. These workers' children, who pay taxes and often feel more German than Turkish, can become German citizens only with great difficulty. They cannot hold dual citizenship, as Germany does not admit the concept.

The debate is all the more remarkable given the anti-immigrant mood gripping Europe and America. Germany, along with many other countries, has changed its laws to make immigration more difficult. It is experiencing unemployment of more than 10 percent, the highest since World War II.

Redefining Germanness by birth instead of blood could help encourage Germans to accept foreigners. It would provide relief for millions of people who are now destined to live in a country where they will never fully belong. On a Continent where ethnic conflict is common, a statement that ethnicity is no measure of citizenship would be particularly welcome.

— THE NEW YORK TIMES.

To Get to Camp David, They Have to Earn the Costly Tickets

By Thomas L. Friedman

NEW YORK — So everyone wants to go to Camp David, now. Yup, skip all those pesky interim steps in the Arab-Israeli peace process and just cut right to the bottom line. I like the idea — but everybody who wants to come has to buy a ticket. And it won't be cheap.

We know one thing about the history of the Arab-Israeli peace process: There is progress only *under conditions of extreme* pleasure or pain. You have a breakthrough because Anwar Sadat does a remarkable thing, flying off to Jerusalem, or because one or both sides are under such excruciating pain that they have to make unprecedented concessions.

The Oslo breakthrough happened only after Israelis tasted the intifada for too long and after Yasser Arafat was isolated and flat broke because he had sided with Iraqi President Saddam Hussein in the Gulf War.

The problem with the current moment is that neither side is ready to offer the other the needed pleasure for an unprecedented breakthrough, and neither is under enough pain to make unprecedented concessions.

So the United States has the choice: Use the lure of Camp David as a way of trying to *gradually rebuild enough* pleasure to carry the process forward, or simply let Benjamin Netanyahu and Mr. Arafat play out their reckless fantasies to their logical extremes.

If the parties want to opt for Camp David, America should demand three admission tickets:

The first is that they each take steps to restore a modicum of trust without which any final-status negotiations would fail. Mr. Netanyahu must commit to a freeze on the building of any new settlements in Jerusalem and the West Bank and on expanding the size of any existing settlements. And Mr. Arafat should have to arrest every Hamas radical he can get his hands on.

Second, Mr. Netanyahu and Mr. Arafat must publicly recommit themselves to the core bargain of Oslo. That bargain stipulates that Palestinians will *make a 100 percent effort to* ensure Israeli security, and that Israelis will make a 100 percent effort to facilitate a self-ruling Palestinian homeland in the West Bank and Gaza.

Mr. Netanyahu violated that implicit bargain by engaging in unilateral steps in Jerusalem and the West Bank to create new facts on the ground before final-status talks. And Mr. Arafat violated that bargain by winking at a renewal of terrorism.

The third ticket is that both sides have to show a willingness to build the political coalitions necessary to support the only fair peace settlement possible. That means that Mr. Arafat has to start preparing his people for the fact that they are not going to get back 100 percent of the West Bank, the Gaza Strip and East Jerusalem. At best they will get somewhere between 65 and 85 percent. If there is no Arab/Palestinian coalition to ratify *such a compromise* deal, there is no sense going to Camp David.

And Mr. Netanyahu has to either build a new coalition or start preparing his own for a settlement that would offer Palestinians 65 to 85 percent of the West Bank.

If the two men refuse to buy these tickets for Camp David, it means that they, or their constituencies, don't want to offer the pleasure needed for a final deal. In that case, regrettably, we will have to wait for more pain.

So bring it on. Let them trade an eye for an eye and a tooth for a tooth, while they insist that they have a better path for their peoples than the Oslo peace process. Let them have the confrontation they so clearly want and richly deserve.

Let Palestinians show us how they will redeem Palestine with their "blood and spirit," as they keep chanting. Let them cheer their suicide bombers.

Let Israeli settlers gun down Palestinian youths. Let Mr. Netanyahu come to America and use every meeting he has with Congress and the press to delegitimize Mr. Arafat. (O.K., say you do delegitimize Yasser, then what Palestinian leadership are you going to deal with? So you win CNN's Middle East Debating Trophy! Big deal.)

It is sad to think that it will require so much more pain to get both sides back from the brink. But it probably will.

The New York Times.

If NATO Has to Expand, Romania Has to Be One of the Elect

By William Pfaff

PARIS — Enlargement of NATO is one of those juggernaut policy decisions made by Washington, crushing all in its path — except, possibly, the U.S. Congress, when the time arrives for it to confront the military commitment and costs entailed. Given that the policy will not be stopped, one must take inspiration from Shakespeare and search for how from this nettle we might pluck a flower of advantage.

If NATO must expand, it is senseless not to use expansion to strengthen security in the place where it is most needed, the Balkans. That would give us at least one positive result from what is being done.

The negative results have already begun to arrive. The agreement signed on April 2 by Russia's Boris Yeltsin and Alexander Lukashenko, president of Belarus, to more closely integrate Belarus and Russia is one reaction to NATO's enlargement. Belarus was formerly a part of the Soviet Union.

Mr. Lukashenko is as dictatorial as circumstances allow him to be, muzzling the press and locking up opponents, so this step toward reunion outrages liberals in Moscow and nationalists in Belarus.

Those pleased by it include Russians who want part if not all of the old Soviet Union put together again to defy the West. To them, NATO expansion is an aggressive act.

Yet as a challenge to Russia NATO expansion as now conceived is oddly timid. It would take in countries that are already secure and reasonably successful in their political and economic transition: Poland, the Czech Republic and Hungary. It leaves out the countries that are weak and vulnerable.

On present accounts, the Baltic countries, Ukraine, Moldova, Bulgaria, Slovakia and Romania will be left out.

Washington understands that taking the Baltic states into NATO at this point would be a provocation. Ukraine and Moldova are fellow members with Russia of the Commonwealth of Independent States. Bulgaria is in too deep internal disarray to take so important a step, even if it wanted to join NATO. Slovakia, politically, has yet to demonstrate that it deserves to be in the NATO community.

That leaves Romania. And Romania is very important. If it is left out of the first wave of expansion and Hungary is included, great damage may be done to one of the real political achievements of recent months, a stabilization in southeastern Europe produced by reconciliation between two ancient rivals, Balkan Romania and Central European Hungary.

The quarrel between them is due to the existence in central Romania of a large and relatively prosperous Transylvanian Hungarian ethnic minority of more than 1.6 million people.

The Transylvanian Hungarians, under rival Turkish and Austrian political influences, dominated the region from the 5th century onward, and by the 18th century had made Transylvania a brilliant and generally tolerant center of Protestant Hungarian civilization — although holding the Romanian population in serfdom, and suppressing the Romanian peasants' Orthodox church.

When the Ottoman empire weakened, Austrian influence increased. Transylvania fell under complete Austrian control in the 19th century. The Romanian peasantry was emancipated.

After the first world war, when Austro-Hungary collapsed, this Romanian peasant majority demanded Transylvania's union with Romania proper, which had been fully independent since 1878. Hungarian estates were expropriated, and a policy of cultural Romanization installed.

Communism suppressed the Romanian-Hungarian rivalry, but since 1989 it has renewed its claim on the two nations. However, today for the first time governments exist in both Bucharest and Budapest which understand that peace must be made on the Transylvanian issue.

Under President Emil Constantinescu, elected last year, an enormous effort has been made not only to install overdue political and economic reforms in Romania but to put Hungarian-Romanian relations on a new basis. The change inside the country has been profound, with Transylvanian Hungarians now part of the governing coalition.

The Hungarian government itself now says that if Romania is not admitted to NATO at the same time as Hungary, the new situation will be undermined. The governing coalition in Bucharest may fall. Nationalists in Hungary, who oppose treaty concessions made to Romania, would be strengthened. Hungarian-Romanian cooperation might then be destroyed by a successor Hungarian government.

There is a knock-on effect in Slovakia, where nationalist claims on behalf of Slovak minorities abroad have a destructive effect on regional relations, *and underpin authoritarian* government. The Slovaks considered the old post-Communist government in Romania an ally on ethnic issues.

The incidence of tolerance and realism about ethnic and historical conflicts is not great in this region, as the Yugoslav war has made known to all. The breakthrough in Hungarian-Romanian relations is thus extremely important.

Including Romania with Hungary in the first round of NATO expansion can confirm and extend the *influence* of political realism in an area where it is badly needed.

International Herald Tribune.
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Out With the Browsers

Several years ago there were reports that some number of Internal Revenue Service employees were violating the trust placed in both them and the agency by browsing through tax records that they had no official reason to examine. The agency responded as you might expect. It was going to crack down, establish a policy of "zero tolerance" for such behavior, etc.

It would have been the right thing to do. Unauthorized snooping through tax returns is morally wrong, an invitation to corruption and a threat to the very foundation of the "voluntary" tax reporting and collection system. It ought to be not just a crime but an automatic firing offense. The reason doesn't matter: you are out if you are found to have done it. That is what zero tolerance means or ought to mean; it is the only tolerable rule.

But a new report suggests that it is not the rule after all. Far from it. The agency failed to deliver. A so-called "electronic audit research log" has been put in place to detect unauthorized examinations of returns. Its reach is incomplete: it covers only some IRS computer use, not all. In 1994 and 1995 there were 1,515 instances in which employees were accused of unauthorized browsing. A third of the cases were closed without any action; in another 12 percent the accused employee either took retirement or was cleared. Only 23 were fired; 349 were otherwise disciplined and 472 were "counseled."

The agency committee overseeing the program reported that "no one person or organization has overall responsibility ... for ... abuse prevention and detection. As a result, inconsistencies in how the program is administered have marginalized our effectiveness. Our progress ... has been painfully slow. The program has suffered from a lack of overall consistent, strong leadership." It said that "some employees, when confronted," continue to "indicate they browsed because they do not believe it is wrong and that there will be little or no consequence to them if they are caught."

The IRS will often say when it is attacked that the attackers are just tax-bashers not to be taken seriously — people whose real goal is not to achieve a better system of collection but to undermine public support for the income tax that the agency mainly collects. A fair amount of such bashing does in fact go on, and next week, Tax Week, you can expect a kind of circus of it. But if anything, that means that the agency needs to hold itself to an even higher standard of behavior than would otherwise be the case.

On the snooping issue, it seems, on the strength of its own internal committee report, to have done the reverse — been lax precisely where it should have been most severe. It is not a defense to say that the overwhelming majority of employees don't snoop, if some do. Change the law if that is needed to do it, but get them out of there.

— THE WASHINGTON POST.

Being Diplomatic With the Hill

By Daniel Berger

WASHINGTON — The Clinton administration has assembled a team to dislodge the chief obstruction to U.S. foreign policy objectives: the isolationist impulse governing Congress during the Republican ascendancy. This obstacle is personified by Jesse Helms, the reactionary who governs the Senate Foreign Relations Committee as his personal microstate.

Under his influence, the United States has refused to pay past UN dues; failed to ratify arms control agreements; underfunded foreign policy; hobbled its ability to use aid as a tool of either U.S. national interest or Third World growth; pretended to legislate for foreign countries.

The Helms-Burton Act — to enhance the private interests of a handful of Floridians who used to be Cubans — is fouling relations with Canada, Britain, France, Spain and Mexico. No one at the United Nations will willingly do U.S. bidding until Washington pays up there.

That is what President Bill Clinton faced when nominating Secretary of State Madeleine Albright and her successor as permanent delegate to the United Nations, Bill Richardson. Their goal is to persuade Congress to let Mr. Clinton have a foreign policy.

Mrs. Albright's skill at talking to the American people and her good relations with Mr. Helms have been noted. She brought the senator the head of former UN Secretary-General Boutros Boutros Ghali.

In return, he may allow ratification of the Chemical Weapons Convention this month; perhaps even of the UN Convention on the Elimination of All Forms of Discrimination Against Women, which was signed in 1980.

Mr. Richardson, whose cabinet role in foreign policy takes him to Washington twice a week, has lobbied on Capitol Hill for the paying of UN arrears. He is lobbying at the United Nations for future U.S. obligations to be scaled down from 31 percent of peacekeeping assessments to 25 percent, and from 25 percent of basic dues to 20 percent. A clear trade-off.

He calls Secretary-General Kofi Annan's plan for downsizing the Secretariat a good start. It involves staff cuts, budget caps, a stronger inspector general and consolidation of three economic development bureaucracies into one. The second shoe comes by July, when Mr. Annan will propose downsizing UN-related agencies.

Within 90 days, the administration seeks a grand bargain with congressional leadership headed by Senate Majority Leader Trent Lott to clear up the UN impasse.

Mr. Richardson, the former seven-term congressman from New Mexico, is meant to pass in New York as a Third Worldling and on Capitol Hill as a denizen. He appears in each place as a sympathetic representative of the other.

A full accommodation with Mr. Helms would let the administration use aid as a policy tool, pay up at the United Nations, ratify treaties that flow from bipartisan foreign policy, and amend out of the Cuba embargo what most offends friendly countries.

Mr. Helms can get two things in return. One is credit for UN reform. The other is his plan to force the U.S. Information Agency, the Agency for International Development and the Arms Control and Disarmament Agency into the State Department. J. Brian Atwood, head of the AID, spent the first term fighting this. Vice President Al Gore, reorganizer-in-chief of government, could come out in favor.

With the Albright-Richardson duo, the White House has determined that it must accommodate Capitol Hill before it can deal effectively with other powers.

The Baltimore Sun.

Herald INTERNATIONAL Tribune

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Tahiti War Over

SAN FRANCISCO — According to advices from Tahiti, Queen Mamai, ruler of the island of Raiatea, has surrendered after defying the French for seven years and the long rebellion in Raiatea and the Huahine Islands has been put down. Thirty-six natives were shot and sixteen were drowned. The Queen and 136 of her subjects were sent to exile for life in New Caledonia. The French have left an armed force in charge of the islands.

1922: Stormy Meeting

GENOA — At the opening session of the Genoa Conference, M. Chicherin (Russia) raised the question of disarmament and invoked a storm that threatened to endanger further proceedings. M. Barthou (France) emphatically announced that in no circumstances would France permit discussion of disarmament in the plenary session of the conference. He declared that the subject is not on the agenda, and the agenda must be followed. Mr. Lloyd George (Great Britain) tried to be soothing, admitting that Europe must disarm if there is to be no fail in the effort of reconstruction.

1947: New Saar Status

MOSCOW — The French plan for the economic and financial incorporation of the Saar territory, to which the American and British delegates agreed in the Council of Foreign Ministers, will detach the Saar as part of German territory and convert it into a semi-autonomous region under French control. Its inhabitants will have their own citizenship. Its foreign relations and the protection of its nationals and interests abroad will be arranged by France.

OPINION/LETTERS

Clinton and the Truth: It's Like Pulling Teeth

By Richard Cohen

WASHINGTON — From Dick Morris comes a pearl of wisdom. The former White House campaign consultant, presidential associate and self-confessed silly man, does not think that Bill Clinton authorized paying Webster Hubbell any hush money. The man he has known for more than 20 years would not do something like that, Mr. Morris said. "He's too much *into denial* on one hand and too much of an ingrate on the other."

That, as it happens, would get half a nod from some key people in the White House. They, too, talk about denial — about a president who cannot and will not focus on the amorphous scandals — Whitewater, campaign contributions, etc. — that have gone from being an occasional press conference question to an outright preoccupation.

The issue at the moment is the approximately $500,000 given to former Associate Attorney General Webster Hubbell in the period between his quitting the Justice Department in 1994 and going to jail. About $100,000 of that sum came from the Lippo Group headed by James Riady who, that year, had been at the White House 25 times.

The payments smack of hush money — Mr. Hubbell, after all, has been a longtime friend of the president and a former colleague of Hillary Rodham Clinton, and some journalists have not hesitated to call them that. They have their nerve but not, as of now, any evidence.

In fact, like Mr. Morris, I would be surprised if there was a conspiracy to keep Mr. Hubbell silent. I don't know the Lippo Group, but I do know some of the others who supposedly arranged this hush money. They include Michael Berman, Vernon Jordan and Mickey Kantor — Democratic Party personages from before Mr. Clinton ever set foot in town. He owes them more than they owe him, and, anyway, they are all lawyers with fine memories. It's not conceivable they would knowingly participate in this sort of conspiracy — breaking the law in a manner so reminiscent of Watergate that memory loss could be their only defense.

Mr. Morris's point about Mr. Clinton should not be forgotten. But it's hard to know sometimes where denial stops and lying — or, if you will, a reluctance to tell the whole truth — begins. Take the issue of campaign financing — a pretty serious matter if, as some allege, contributions bought *favors from the government.*

Originally, the administration blamed everything on the Democratic National Committee. In other words, the president had nothing — just nothing — to do with all that tacky fund-raising.

It now turns out, though, that Mr. Clinton was virtually wearing a green eyeshade and doing the books every night before going to bed. The White House was turned into a catering hall, only instead of weddings and bar mitzvahs it did coffees and overnights in the Lincoln Bedroom. Mr. Clinton has treated both the White House and truth with contempt.

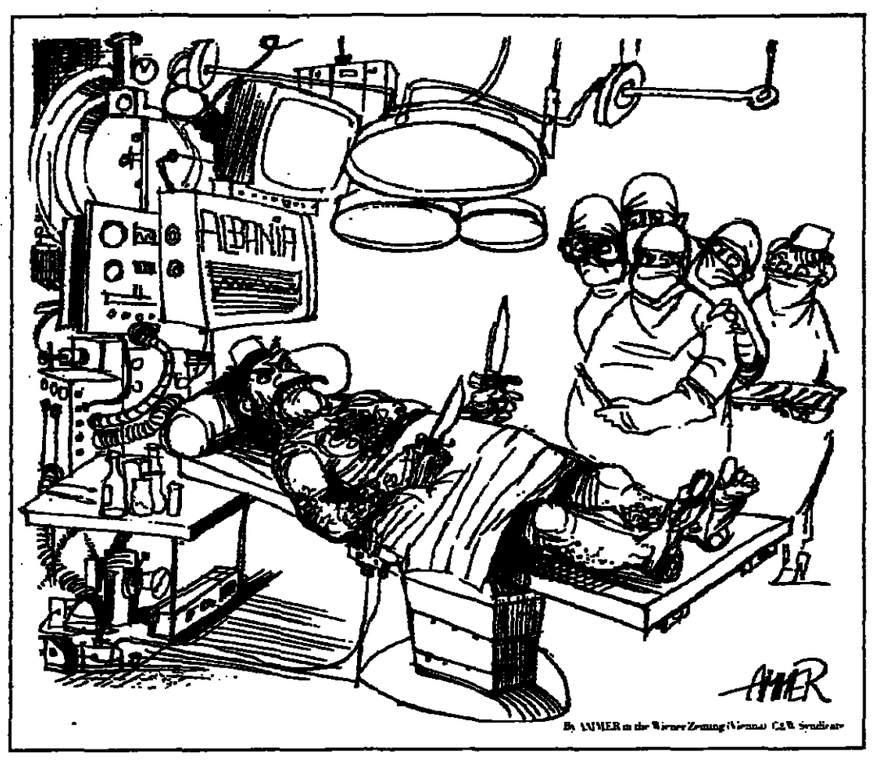
This has been the pattern with the president. He's been slippery and it seems, sometimes, his first instinct is to lie. But criminality is a different matter, and when it comes to that the man has been investigated to a fare-thee-well and nothing — just nothing — has been found. Ken Starr's investigation alone has already consumed $28.3 million and Al D'Amato's klutzy inquisition cost about $2 million more.

So it seems to me a little caution is in order. Travelgate has come and gone. The fuss about the Rose Law Firm billing records now seems to be history. Much of Whitewater has been looked at by congressional committees and government agencies and no one has found anything incriminating as far as the Clintons are concerned.

The president says his aides and colleagues were motivated to help Mr. Hubbell because they liked the man and initially felt sorry for him. It's hardly a preposterous explanation.

But it did take the White House a long time to explain why and how Mr. Hubbell got all that money — and the delay raised suspicions, mine included. Once again, the truth — if it is indeed that — was a hard tooth to pull. The president is certainly in denial, as Mr. Morris says, and maybe he's an ingrate as well. He thinks he owes no one anything — not even the truth.

The Washington Post.



By AMER in the Warsaw Zeitung (Warsaw) C.A.U. Syndicate

LETTERS TO THE EDITOR

Believing Nonsense

Regarding "See What You Get When You Suppress Traditional Religion?" (Opinion, April 1) by David Gelernter:

I am very surprised by Mr. Gelernter's piece. It seems to completely miss the point about the Heaven's Gate cult suicide.

I have no doubt that the people involved did not receive the spiritual satisfaction they required from conventional religion. At the same time, the fact that these individuals believed nonsense about aliens indicates that we do a poor job educating people to be skeptical of myths — and not that we do not sufficiently validate traditional religion in our schools.

Many people find the notion that Noah actually built an ark that saved all species of animals from a giant flood about as rational as the idea that aliens are hiding behind the Hale-Bopp comet. I also have no doubt that the Heaven's Gate members felt as fervently about their beliefs as some fundamentalists do about theirs that the Earth is 5,000 years old.

We must do a better job educating people to understand that beliefs — including some religious beliefs, which in Carl Sagan's words do not pass the "baloney detector" tests provided by modern scientific inquiry — are simply not rational, and moreover do not correspond to reality.

What the sad suicide in California teaches us is that we have to do a better job delineating the distinction between religious belief and our scientific understanding of the world, and not to further weaken the boundary between the two.

LAWRENCE M. KRAUSS.
Geneva.

Viva Paris

My heart aches to think of American visitors to Paris being pushed around by rude French people, stepping in dog droppings and having to call an interpreter to translate the menu (*"A Paris That Only Americans Could Love," April 5*).

They should stay in Las Vegas — with its blinding neons and noise inside and out, with people in loud shirts shouting around gaming tables.

I will stop here — even though I'm American I'm a well-mannered person.

If ever one wonders why, after a postwar love affair, Americans are resented in civilized Europe, it's because of people like those who would frequent a "Paris Las Vegas" — people with unruly children who scream and run around in restaurants.

It seems money is the only important thing. Less so is the charm of Paris: its narrow streets, its bistros — where you can sit until you decide to go — dusk settling on the gold dome of the Invalides, the tulips in the Tuileries.

S. M. YOUNG-ROUSSO.
Cannes.

Recruitment Idea

Regarding "Scrubbing at the CIA" (Editorial, April 3):

Now that it is cleaning up its foreign agent ranks, perhaps the CIA could advertise in overseas publications for more suitable candidates.

A possible slogan: "The CIA is looking for a few good traitors."

T. DAGHISTANI.
Madrid.

The Tiny Shrimp Causes Big Ecological Worries

By Paul Spencer Sochaczewski and Biksham Gujja

NEW DELHI — Feel good that you've switched to dolphin-free tuna? Now there's another creature that can give consumers an attack of eco-gastro guilt: the shrimp.

Shrimp are increasingly produced in farms that often flourish at the expense of natural resources. Citing environmental damage, India's Supreme Court has ordered all large commercial shrimp farms in five coastal states closed by April 30. The action was particularly bold since shrimp farming in India is a business worth $500 million a year.

MEANWHILE

Ecuador, India, Indonesia and Thailand produce 70 percent of the world's farmed prawns. Worldwide, shrimp farming is worth some $9 billion a year, accounting for 20 percent of all seafood traded.

Japan is the biggest per capita shrimp consumer, followed by the United States and Europe. According to the UN's Food and Agriculture Organization, per capita shrimp consumption in the United States tripled between 1983 and 1993. If it reaches Japan's levels, some scientists predict, virtually all the world's tropical coastlines will vanish as shrimp farms are built to meet demand.

In urging India's Supreme Court to take action against large-scale shrimp farming, conservationists cited abuses that included wetlands destruction, pollution of coastal waters, degradation of coastal fisheries and peremptory land acquisition. Scientific studies found that the cost of repairing environmental degradation from the farming would be greater than earnings from shrimp exports.

Shrimp aquaculture requires large quantities of water. To raise one metric ton of shrimp takes between 50 million and 60 million liters of water, about half of it freshwater. This is a serious drain in many regions where freshwater is scarce.

Each kilogram of shrimp produced generates about 15,000 liters of effluent, with residues of toxic chemicals. This chemical stew is released untreated into the groundwater, contaminating the drinking water of local communities.

Increasingly, shrimp farming is run by multinational companies. They have little interest in providing jobs for local communities and threaten to go elsewhere if regulations become too strict. In India, shrimp farming has been supported by the World Bank, the FAO and the Asian Development Bank as a means of generating foreign exchange.

Most First World consumers are aware of the infamous "hamburger connection," in which Central American rain forests were destroyed to provide pasture for cattle that wound up in European and American fast-food burgers. Such ranching was short-lived, since the poor land became exhausted in several years, necessitating the cutting of more and more tropical rain forest.

Scientists worry that the world's tropical coastlines will vanish as shrimp farms are built to meet demand.

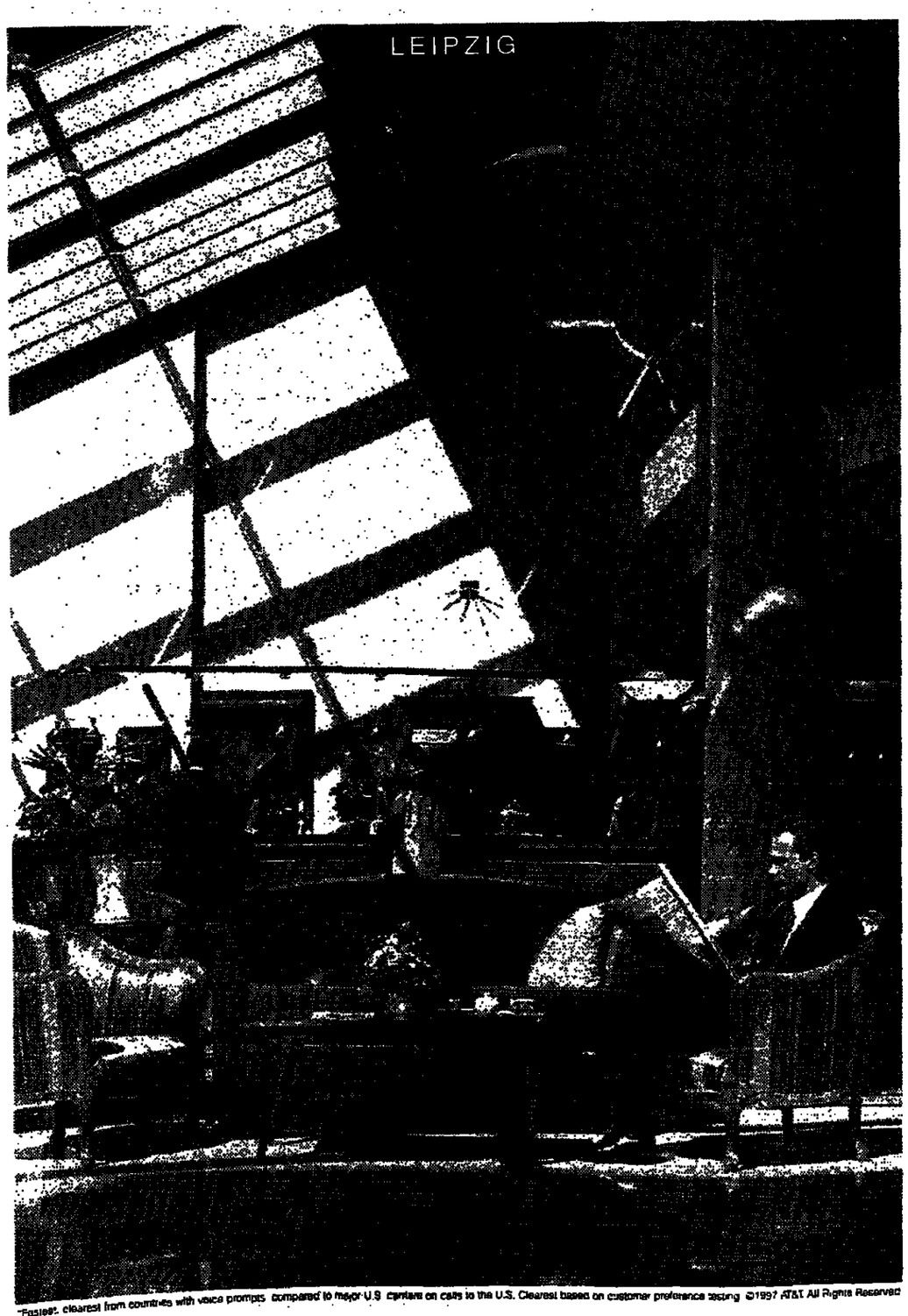
Similarly, shrimp farming — as now practiced by large commercial firms — is unsustainable. Some 200,000 hectares of coastal lands have been abandoned worldwide in recent years after producing shrimp for just four or five years. Such areas may take between 15 and 20 years to regenerate.

Does this mean consumers should avoid shrimp? Not necessarily. Ecologically and socially sustainable shrimp farming exists in many countries.

Consumers can insist that the shrimp they buy have either been produced in sustainable farms or caught in the wild. But they may have to pay a premium for such kindness to the Earth.

Mr. Sochaczewski is a journalist specializing in environmental issues. Mr. Gujja is head of the freshwater policy unit at WWF International in Switzerland. They contributed this comment to the International Herald Tribune.

AMSTERDAM ANTALYA BRUSSELS COLOGNE DORTMUND DUSSELDORF HEIDELBERG HAMBURG ISTANBUL KARLSRUHE LEIPZIG MOSCOW PARIS PRAGUE VIENNA ZURICH



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DINING

The Truth About Simple Bistro Fare

By Patricia Wells
International Herald Tribune

PARIS — Marie-Jose Cervoni has just left her accountant's office, and she's ready to celebrate. "Business is great!" she glows, aware that she's in that rare minority of French restaurateurs who speak well of their current situation. Ever since this bubbling, outgoing Corsican native took over the direction of the legendary bistro **Chez la Vieille** in 1994, she and her staff have played to a contented full house.

Like most secrets for success, there is no secret. Following in the footsteps of the former owner, Adrienne Biasin, Cervoni has built her reputation on simple, elemental, old-fashioned Parisian bistro fare, and plenty of it. "If you don't attack your work with a passion, it's not worth doing," she said, calling her style of cooking cuisine "vérité."

While she maintains the now nutritionally incorrect dishes that made the restaurant fa-

Nicolas Ascia/IHT

mous — sautéed calf's liver with shallots and whole roasted veal kidneys — she also adds her own native touch from time to time, featuring recipes learned at the elbow of her Corsican grandmother. Until April 15 her "Quinzaine Corse" includes a rare Parisian opportunity to dig into platters of delicious Corsican charcuterie (fragrant pork sausages, sweet dark ham), an unforgettable cannelloni stuffed with fresh herbs and the rich fresh sheep's milk cheese *broccio*; beautifully seasoned lamb terrine and fat slices of herb-rich head cheese. And that's just for starters.

Main courses include roasted *abbacchio*, or leg of baby lamb enlivened by a last-minute sprinkling of garlic, flat parsley and bread crumbs; a lovely saute of veal, embellished with a meaty tomato sauce, and a fragrant platter of giant white "Soissons" beans with giant lamb meatballs. There is nothing tricky about any of her food; it's all solid, welcoming grandmotherly fare that's cooked long and slow and takes well to reheating.

The dining room — last decorated with minimal effort in the 1950s — is small but familial.

WHAT'S ON FOR SPRING? Now that spring is here, she's likely to exchange the pot-au-feu for a simple *navarin d'agneau* (lamb stew with young vegetables), an always appreciated roast chicken, or a Biasin "plat fetiche," a perfectly pan-fried breast of duck.

Like the rest of the meal, desserts go on and on until you shout "enough." Her rich chocolate mousse is legendary, and on the Corsican menu best bets are the smooth regional cheesecake known as *fiadone*, and a soothing flan made with rich chestnut flour.

The best-buy wines on the brief list include Bernard Grippa's white Saint Peray and red Saint Joseph, both 1994 and priced at 180 francs (about $31), and Andre Romero's rich red Rhone, Rasteau Domaine de la Soumade (the 1994 is priced at 150 francs).

Chez la Vieille, 37 Rue de l'Arbre Sec, Paris 1; tel: 01-42-60-15-78; fax: 01-42-33-85-71. Credit card: Visa, Mastercard, American Express, Eurocard. Open for lunch only Monday through Friday, dinner on Thursday. Other evenings by reservation only, minimum of 10. 150-franc menu, including service but not wine. A la carte Corsican menu to April 15, 230 to 330 francs, including service but not wine.

Tasmania's Abundant – but Elusive – Trout

By Malabar Hornblower

HOBART, Tasmania — My husband, Bill Brewster, and I were planning a trip to western Australia last April when he suggested that we stop off in Tasmania to check out the trout fishing. I was not enthralled until he assured me that it was near the end of the fishing season. To my great surprise, I thoroughly enjoyed myself in the beautiful wilds of Tasmania, where we found several lovely fishing spots and creature comforts close at hand.

Tasmania is that chevron-shaped island, 190 miles wide, snuggling under Australia's southern coast. Often considered the most beautiful of the Australian states, it turned out to be a pristine land with bracingly fresh air, unsullied sandy beaches, mountain peaks, forests, rolling moors and pastureland dotted with sheep. And its more than 3,000 lakes and innumerable rivers and streams are packed with wild (as opposed to stocked) brown trout.

Tasmanian trout waters are ideal for fly fishing. Most of the streams are relatively small and slow-flowing, while the lakes are generally shallow and can be covered by wading or casting from shore.

While the Tassies, as Tasmanians call themselves, are rabid fishermen, relatively few foreigners have ventured here, although that is changing as Americans and Japanese as well as Australians from other states are attracted by the size and abundance of trout. Experienced anglers are also intrigued by the Tasmanian technique of fishing for "tailing" trout, that is, fish that feed in the extreme shallows of lakes, their presence heralded by dorsal fins and tails, similar to the behavior of saltwater bonefish.

This type of fishing takes extraordinary patience, determination and casting skill — so much so that frustrated anglers, with grudging admiration, refer to Tasmanian brown trout as the "thinking trout." Their instinct for survival, strength and cunning make them formidable adversaries.

The best trout fishing is in the Central Highlands, with 40 major lakes and countless creeks and rivers. The Highlands are about 90 minutes from Tasmania's major cities, Hobart and Launceston, where there are distinctive lodges, so-called colonial accommodations (similar to our bed and breakfasts) and hotels.

On-Site Discoveries

Because nearly all lakes and rivers containing trout are public, and the cost of a fishing license is minimal, we decided to stay close to civilization and speed to our fishing destinations at the crack of dawn each morning. The drive to and from, however, took a large chunk of time and energy, in spite of the well-surfaced but narrow two-lane roads winding through the varied terrain.

Consequently we were happy to discover two on-site fishing lodges. We spent three nights at the luxurious London Lakes Lodge, and two nights a few miles away at a snug, do-it-yourself cabin in the Lakeside St. Clair Visitor Center complex.

The approach to London Lakes Lodge is remarkably inauspicious, without a hint of the serenity and comfort that lie ahead. The handsome fieldstone and log building is camouflaged against a forest of gum or eucalyptus trees.

Only the presence of several cars, reinforced by the warm welcome of our host, Jason Garrett, reassured us that we had finally found our destination. A cup of strong tea, a lemon muffin hot from the oven and an invitation from Garrett to sit down for an introductory chat on the broad deck overlooking the lake set the tone for our three-day stay.

Nancy Cohen/Black Star for The New York Times

Jason Garrett giving fishing lessons on Lake Sam, one of two at the London Lakes Lodge; animals and bird found on the lodge grounds include the wallaby at right.

The resort, he told us, caters to fishermen of all levels of experience, and offers training in sight-fishing (where you can see the fish in the water) as well as rising, cruising and tailing wild brown trout. Bill cast in both of Jason's two lakes, as well as a public lake two miles away. In all, he landed and released three fish weighing from one and a half to three pounds each.

London Lakes is the creation of Jason and his wife, Barbara, who bought 5,000 acres in 1972, built two private lakes and stocked them with brown trout in 1977 and one of them with rainbow trout in 1992.

For those like myself, who feel a little fishing goes a long way, the Garretts offer comfortable quarters with private baths, a library with deep chairs and a bushlike habitat that attracts many marsupials and 80 or more varieties of birds. While Bill fished with Jason as his guide, I read, sat out on the deck or wandered through the woods.

London Lakes' food and the Tasmanian wines served are excellent. A creamy pumpkin soup, followed by delicate smoked quail, a loin of roast pork and a heated brandy pudding was one outstanding meal. With it, Jason served a superb pinot noir from the Hawley vineyard in the north.

Nancy Cohen/Black Star for The New York Times

Lunch at London Lakes Lodge, which was built in 1984.

About 30 miles northwest of London Lakes, Lakeside St. Clair, on Lake St. Clair, is considerably less luxurious in terms of accommodations, fishing and guest coddling. While London Lakes offers every amenity and is private and remote, Lakeside St. Clair is a part of the Cradle Mountain-Lake St. Clair National Park, possibly the best known and most popular of Tasmania's wilderness reserves. Every year the park attracts 200,000 visitors who hike, backpack to remote alpine lakes, climb mountains and fish — most disappearing into its 620 square miles.

UNLIKE Tasmania's generally shallow lakes, 11-mile-long Lake St. Clair at the southern end of the park was excavated by glaciers and, at 600 feet, is the deepest natural lake in Australia. As a consequence, fishing here calls for trolling or spinning from a boat. Although there is heavy tree growth on the banks, fly fishing can be done in its few shallow bays or any of the other lakes in the vicinity. For those who prefer rivers, there are enough close by to keep everyone happy.

The trout are abundant and the challenge of a day on the water is grand, particularly if the object is to land large fish. Bill and I went out with a guide in a fair-sized motorboat and nosed around the edges of the lake casting from the boat. But even in two days' fishing, neither of us caught anything; the lake is not really conducive to fly casting.

To accommodate the increasing number of visitors, Lakeside St. Clair has inaugurated a large resort complex under the management of Richard and Anne Dax. The focus is the Visitor Center, which houses an ecologically oriented museum, a brasserie restaurant with erratic food, a gift shop and a fishing office where licenses as well as guides may be arranged.

In addition, the park offers overnights in six alpine lodges, each with living room, bath, kitchenette (meagerly stocked with a Continental breakfast) and, upstairs, two bedrooms. For heat — and Tasmanian nights can be chilly even in summer — each cottage has the most efficient wood stove I have ever encountered. It not only swiftly renders the downstairs cozy but also turns the upstairs into a sauna. About 10 more lodges are planned.

Although we enjoyed our two days at Lakeside, we visited another lodge, Angler's Retreat, and were sorry we didn't have the opportunity to stay there. But it was the end of the season, and the owners, Ken and Marea Orr, were closing. The lodge, which is their home, is down a labyrinth of winding dirt roads, south and west of London Lakes, past a handful of lakes each more alluring than the last.

On Lake Brady, the rambling retreat offers comfort without frills, and Ken and Marea were very down-to-earth about what they had to offer: fishing with long hours of casting. Marea, from her old-fashioned kitchen, does the cooking. (The poppy-seed loaf she served us with tea was dense and pungent, entirely delicious.)

The lodge accommodates 10 anglers.

Since all water that holds brown trout — streams, rivers and lakes — is public (with the exception of Lakes Sam and Big Jim at London Lakes), the Orrs' Australian, American and Japanese visitors have a large choice.

SMART TROUT The fishing is hard, Ken reminds you without apology; the trout are smart. He said that guests land an average of two fish a day weighing between one-and-a-half and six pounds. The bag limit throughout Tasmania is 12 a day.

If we go fishing in Tasmania again, I'd like to stay at this lodge. And although the schedule for guests (in peak season, departure at 8:30 A.M. with a picnic lunch and back for dinner at 7:30 P.M.) seemed somewhat arduous to me, my husband thought it sounded perfect.

Malabar Hornblower, a food and travel writer, wrote this for The New York Times.

MOVIE GUIDE

Double Team
Directed by Tsui Hark. U.S.
With "The Saint" opening recently, I must have formula on the brain. So I couldn't help watching "Double Team" with algebraic fascination. What did this action movie, starring Jean-Claude Van Damme, Mickey Rourke and Dennis Rodman, add up to — especially with the Hong Kong director Tsui Hark in the mix? Less than nothing. But then action movies operate proudly in the artistic minus zone. Van Damme is Jack Quinn, a counterterrorist, who gets into hot water with a terrorist called Stavros (Rourke) when a botched raid leaves the criminal's wife and child dead. When the widowed Stavros retaliates by kidnaping Quinn's pregnant wife, it's time for Quinn to hook up with a wacky arms merchant called Yaz (Rodman), and rock Stavros' world. This movie never hurts for action — if action means a steady alternation of confrontation and detonation. Tough guys snarl at each other or dive out of the way before some explosion reduces their biceps to gymboy tuna. Van Damme still talks like a Belgian choirboy. But he's physically awesome, of course. And what can you say about Dennis Color-My-World Rodman, except: Dennis, just be your U.S. Milk Processors / Victoria's Secret / Oakley sunglasses self. But don't quit your day job. *(Desson Howe, WP)*

Familia
Directed by Fernando Leon. Spain.
In modern life, renting cars, chalets or just about anything else has become commonplace, but the plot of "Familia" adds a new dimension. The story tells how a wealthy but lonely man rents a troupe of Madrid actors to pose as his happy family for his 55th birthday. They show up for a day's work at his mansion, pretending to be his wife, three children, elderly mother, brother and sister-in-law. They've memorized his background material, which he provided beforehand, but they're forced to improvise when he continually changes the details. It sounds like an engaging backdrop for a comedy by the scriptwriter, Fernando Leon. The only problem is that he also was the film's director. From the opening scene of the "family" at breakfast, the action is excruciatingly slow. That effectively weighs down most of the attempts at lighthearted jokes. There is little discernible pacing and no verve. Juan Luis Galiardo, as the wealthy man, is solid. But the experience makes you wish you had stayed at home and watched some rental video movies instead. *(Al Goodman, IHT)*

The Devil's Own
Directed by Alan J. Pakula. U.S.
In "The Devil's Own," Brad Pitt plays an Irish Republican Army operative who flees Belfast and comes to live on Staten Island. He is supposed to be incognito, but he sure is hard to miss. Pitt moves through this unexpectedly solid thriller with dazzling confidence, showing off all the star power that he usually works overtime to hide. He gives a first-rate, madly photogenic performance that will win him new respect along with fluttery fan-club adulation. Like the young Robert Redford, whom he resembles more than ever, Pitt shows the acute awareness of his effect on others that is a mark of stellar authority. It's also a quality he shares with Harrison Ford, who does a fine, terse job of playing his father figure, an admirably decent and substantial blue-collar family man. In "The Devil's Own," directed by Alan J. Pakula in a thoughtful urban style that recalls the vintage New York stories of Sidney Lumet, Pitt is the supernova to Harrison Ford's seasoned pro. It could be argued that these two characters exist in separate, semi-related movies. But it could also be said that, should the viewer choose not to be an absolute stickler about plot coherence, "The Devil's Own" delivers two traffic-stopping star turns for the price of one. Ford plays Tom O'Meara, the New York police sergeant with whom Pitt's Rory Devaney comes to stay. When Tom accepts Rory as a boarder living in his basement, he has no idea that Rory is actually a terrorist named Frankie McGuire. Nor does Tom realize that the younger man's idea of a commitment to peace in Northern Ireland means trying to send home a shipload of Stinger missiles. The film's politics are willfully hazy about violence and accountability. But talk about this film and "the Troubles" is sure to hit closer to home. Publicly disparaged initially by Pitt (who was later apologetic), and plagued by rumors of insane expenses and half-baked screenwriting, "The Devil's Own" certainly tracks more smoothly than might have been expected. Only in the latter half of this story, after getting it off to a brisk and involving first hour, does Pakula show the strains of the directorial diplomacy this project required. *(Janet Maslin, NYT)*

Alan Markfield

Jean-Claude Van Damme and Dennis Rodman in "Double Team."

THE FREQUENT TRAVELER

Bad News: Higher Hotel Rates

By Roger Collis
International Herald Tribune

FREQUENT travelers are now paying the price as business travel booms, with the prospect of more expensive hotel rooms and higher air fares.

This is reflected in Hogg Robinson Travel's 1996 Hotel Rates Survey, published last month, which warns that a seller's market will keep hotel prices high throughout 1997 and into 1998. The American Express European Airfare Index for the final quarter of 1996 forecasts higher fares, especially on the North Atlantic where business demand is high. Hogg Robinson, which reports on average hotel rates paid regardless of published rates paints a picture of spiraling prices, notably in emerging markets such as Latin America and parts of Asia.

The average paid-for hotel rate rose by 4 percent in 1996, to £99.43 (about $160). Bombay emerges as the world's costliest city with an average room rate of £154 (an increase from 1995 of 30.5 percent) — replacing Tokyo (now in 15th place) where rates fell 20.7 percent last year — closely followed by Moscow (£152), Hong Kong (£150), St. Petersburg (£144), New Delhi (£143), Zurich (£141) and Sao Paulo (£138). New York (£132) and London (£97) have dropped from 7th to 10th place and from 43d to 58th place, respectively.

Carolyn Moore, divisional manager-hotels at Hogg Robinson Travel in London, says, "Traditional Asian business markets like Japan and Singapore are still holding their rates, but India, South Korea, Pakistan and China now have average rates in excess of £100, reflecting their status as new business destinations. Many countries in Europe, traditionally perceived as very expensive, are comparatively good value. France, for example, at £101. Northern Europe, Germany, Netherlands, Benelux are still quite a soft market. But in virtually all other markets we see the opposite. In Britain and Scandinavia, people are still staying in four-star hotels, whereas in southern Europe, they are upgrading to five-star hotels and suites, which is increasing average room rates."

Air fares in Western Europe have generally risen at a faster rate than inflation over the past two years, with average increases of 1.5 percent per quarter. But look for more serious price increases during 1997.

Kyle Davis, head of the American Express Airfare Management Unit, in Paris, says: "The present stability is really just the calm before the storm. The strong dollar is likely to affect fares in two ways. Firstly, as jet fuel is traded in U.S. dollars, price increases will be further compounded for European carriers. Secondly, fares from Western Europe to the U.S. are bound to increase in order to close the gap between those originating in Europe and the U.S."

□

The role of technology: According to the *OAG Business Lifestyle Survey* 1997 among 5,000 frequent travelers in the United States, Britain, France, Germany, Italy, Singapore, Hong Kong, Japan and Australia:

- 27 percent always pack a laptop

Of whom

- 96 percent use it in the hotel room
- 59 percent use it in flight
- 24 percent access the Internet for travel

Of whom

- 75 percent have accessed airline information
- 6 percent have made bookings via the Internet.

□

Travelers may wonder what they stand to gain from electronic ticketing — or ticketless travel — as British Airways scraps its 21-year-old "turn up and go" guarantee on all domestic shuttle services and at the same time replaces its popular Timesaver tickets (which enabled regular shuttle passengers effectively to "write their own ticket" for a domestic flight) by the E-Ticket on April 30.

Travelers will now have to call their travel agency to make shuttle reservations and wait for confirmation. They will lose the flexibility of being able to switch to cheaper, off-peak, flights which they enjoyed when they could just turn up and walk on. Instead, they will have to call up to change flights and go through the rigamarole of claiming a refund if the initial booking was made at the peak fare and they now want to travel on an off-peak flight.

Check-in times on shuttle routes will increase from 10 to 20 minutes at Heathrow and from 10 to 15 minutes at Edinburgh, Glasgow, Manchester and Belfast.

Electronic ticketing has been hailed as the "third revolution" in the history of civil aviation, after the jet engine and deregulation. Airlines can save up to 25 percent of distribution costs in ticket printing and other productivity gains. A paper ticket costs about $1.50 to print and another $1.50 to process. At American Airlines, tickets are handled by 14 different people before they are finally filed away.

Pundits predict that within two years, U.S. airlines will sell 50 to 60 percent of their seats without issuing a ticket. Southwest Airlines says that 40 percent of its customers make electronic reservations, while United Airlines claims that more than 1.5 million passengers a month, or 30 percent of its domestic traffic, use electronic ticketing.

Lufthansa leads the way with ticketless travel in Europe with its ChipCard, a smart card that acts as a boarding pass and ticket. Business travelers flying from Germany to Paris or London can book and check in using a credit card or a Miles & More frequent-flier card. The latest Carlson Wagonlit Business Travel Survey conducted by MORI, published in February, shows that airlines have a long way to go in communicating the advantages and disadvantages of ticketless travel: 74 percent of business travelers, corporate buyers and travel bookers said they are "not at all familiar" with ticketless travel and only 14 percent had experience of it.

Sophie Dutertre

GOOD TRAVEL DEALS

AIRLINES		
AIR CANADA/AVIS	United States	Aeroplan members earn triple miles on Hertz car rentals of at least seven days. Until April 30.
AIR CHINA	London to Hong Kong	Round-trip economy fare of £499 ($815). Certain conditions apply. Until June 30. China Travel Service, tel: (44-171) 836-9911.
AIR NEW ZEALAND	Hong Kong to Auckland/ Christchurch	Buy a round-trip full-fare business-class ticket (26,570 Hong Kong dollars, or $3,430) and claim a free round-trip economy ticket. For travel starting before May 31. Return ticket is valid for 12 months. The free economy ticket is transferable with 30-day validity. Travel must start before Nov. 30.
ICELANDAIR	Britain to United States	Two-for-one in business class or economy on all flights from Glasgow or London (via Reykjavik) to New York, Boston or Washington. Example: economy round-trip London-New York for two costs £458 ($748) midweek or £488 weekends. Until June 14.
JAPAN AIRLINES	London to Auckland	Round-trip economy fares cost £595 for Sunday departures from Heathrow (via Tokyo) to Auckland. Return flights via Tokyo or Osaka require an overnight stay with hotel paid for by JAL. For outbound travel from April 13 to July 13. Return before Dec. 13, except between July 11 and Aug. 31.
QANTAS	Britain to Australia	New business-class excursion fares from London to Sydney, Melbourne, Adelaide, Brisbane or Cairns (via Frankfurt or Rome) from £2,649 ($4,330) include a free stop in Asia on the round-trip and one domestic flight between major Australian cities. Outbound travel Sunday through Thursday only. Minimum stay 14 days. Until Dec. 31.
SWISSAIR	London to Dubai	Round-trip fare from London Heathrow, London City, Manchester, Birmingham or Edinburgh (via Zurich) costs £283 ($462). Minimum stay of seven days; maximum stay one month. For departure before April 30. Trailfinders, tel: (44-171) 938-3939.
HOTELS		
THE DUSIT THANI	Bangkok	"Landmark Super Value" two-night package for 4,999 baht ($193) per night includes "deluxe" one-bedroom suite, one-way limo transfer, breakfast, cocktails and canapes, and use of fitness center. Until Sept. 30.
PENINSULA HOTELS	Asia/United States	Summer packages include room upgrade, American breakfast, late checkout until 6 P.M. and 20 percent discounts on suites. Examples of prices per room per night: Peninsula Hong Kong, 2,850 Hong Kong dollars ($368); Quail Lodge Resort & Golf Club, Carmel, California, $195; Palace Hotel, Beijing, $168. June 15 to Sept. 15.
RENAISSANCE HOTEL	Leipzig	Weekend package during Paul Klee exhibition (May 8 to July 13) for 248 Deutsche marks ($145) per person for two nights in a double room includes buffet breakfast, city tour, a three-course dinner, tickets for the Klee exhibition.
SHANGRI-LA	Singapore	"The Garden Experience" for 229 Singapore dollars ($159) a night includes buffet breakfast and pressing of two suits. Until April 30.
PACKAGES		
AIR NEW ZEALAND/ SHERATON	Singapore to Auckland	Business Package for 3,768 Singapore dollars ($2,555) includes round-trip business-class ticket, two nights at the Auckland Sheraton with breakfast, butler service, evening cocktails. Until Aug. 31.
MAJESTIC INTERNATIONAL HOTELS/PACIFIC AIRLINES	Vietnam	"Destination Da Nang" packages for 4,090 Hong Kong dollars ($528) for three nights and 4,490 dollars for four nights include round-trip ferry from Hong Kong to Macau; round-trip economy tickets from Macau to Da Nang (via Ho Chi Minh City); one night twin share at Equatorial Hotel, Ho Chi Minh City; two or three nights' twin accommodation at Furama Resort, Da Nang; airport transfers; American breakfasts. April 28 to Dec. 31.

Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

ARTS AGENDA

AUSTRIA

VIENNA
Judisches Museum, tel: (1) 535-0431, closed Saturdays. To May 4: "Neuland: Israeli Artists of Austrian Origin." In the 1920s and '30s, many Austrian artists and writers emigrated to Palestine. While they were forced to embrace a craft or farming to survive, their artistic work focused on the loss of their homeland and on the challenges offered by their new country. The exhibition presents manuscripts, books, paintings, sculptures and personal memorabilia.

BELGIUM

BRUSSELS
Musee d'Art Ancien, tel: (2) 508-3211, closed Mondays. Continuing/ To July 27: "Paul Delvaux, 1897-1994." More than 200 paintings and works on paper by the Belgian painter. Includes the best known paintings of nude women wandering through ancient towns and empty railway stations.

BRITAIN

LONDON
Hayward Gallery, tel: (171) 261-0127, open daily. To May 18: "Material Culture: The Object in British Art of the 1980s and '90s." The works in the exhibition use objects from many origins and take many forms: The objects were collected, clustered, invented or constructed by artists such as Tony Cragg, Antony Gormley, Anish Kapoor, Julian Opie and Richard Wright, among others.

FRANCE

GIVERNY
Musee d'Art Americain, tel: 02-32-51-94-65, closed Mondays. To Oct. 31: "Un Regard Americain sur Paris." More than 30 works by American artists who came to Paris to study at the end of the 19th century. Features works by Mary Cassatt, James McNeill Whistler, Childe Hassam and Maurice Prendergast.

PARIS
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. Continuing/ To July 14: "Paris/Bruxelles - Bruxelles/Paris." The confrontation between Belgian and French art in the second part of the 19th century.
Musee du Louvre, tel: 01-40-20-51-51, closed Tuesdays. To May 5: An exhibition of 678 works seized by Nazi occupation forces and returned to France after World War II. Similar exhibitions are organized at the Pompidou Center (38 works, to April 21, closed Tuesdays) and the Musee d'Orsay (71 paintings, 54 drawings and five sculptures, to May 4, closed Mondays). In a French government attempt at finding the original owners.
Musee du Luxembourg, tel: 01-42-34-25-94, closed Mondays. To June 29: "Italie: Peintures des Musees de la Region Centre." 50 Italian paintings and sculptures, from the 14th to the 18th century, from French provincial museums.

GERMANY

MUNICH
Aktionsforum Praterinsel, tel: (89) 2916-0875, closed Mondays. To May 19: "Robert Rauschenberg: Haywire." Highlights from Rauschenberg's series of technological works created since the 1960s. In these works, the presence and interaction of the viewer directly influence the appearance of the art work.

ISRAEL

JERUSALEM
The Israel Museum, tel: (2) 708-811, open daily. To Aug. 25: "The Secret of the Golden Tiara: Works of Israel Rouchomovsky." A display of 70 vessels and jewels created by the Odessa goldsmith (1860-1930), whose gold tiara — also included in the exhibition — was displayed at the Louvre at the turn of the century as an exceptional Scythian-Greek artifact dating back to the 3rd century B.C., until the craftsman admitted it was a fake in front of a parliamentary commission.

Delvaux's "Cariatides" are part of the Brussels show.

ITALY

GENOA
Palazzo Ducale, tel: (010) 562-440, closed Mondays. To July 13: "Van Dyck a Genova: Grande Pittura e Collezionismo." 40 paintings by the Flemish painter (1599-1641) together with works by Rubens, Caravaggio, Titian and Strozzi.

JAPAN

TOKYO
New Otani Museum, tel: (03) 3221-4111, closed Mondays. To April 20: "Paul Klee: Children's Corner." Fifty works created by the Swiss painter (1879-1940) during his childhood, as well as some works from the later years. The show includes several of the dolls which Klee created for his son around 1920.

NETHERLANDS

THE HAGUE
Het Paleis, tel: (70) 338-1111, closed Mondays. Continuing/To May 9: "The Golden Age of Danish Art." Works on loan from Danish museums, including neoclassical sculptures by Thorwaldsen (1770-1844), paintings by Eckersberg (1783-1853) and Romantic landscapes and group portraits.

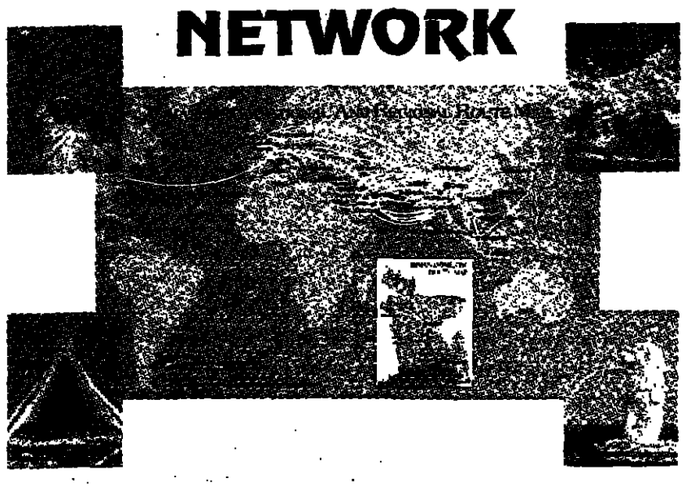
UNITED STATES

NEW YORK
Brooklyn Museum, tel: (718) 638-5000, closed Mondays and Tuesdays. To June 22: "From Pockets to Pouches: Three Centuries of Handbags." 40 items dating back to the 17th century that are an hymn to women's work — beading, embroidery, sequins, needlepoint and lace.
Metropolitan Museum of Art, tel: (212) 570-3791, closed Mondays. To Aug. 3: "Cartier: 1900-1939." Traces the evolution of styles — from the opulence of the turn of the century through the innovative geometries and exoticisms of the 1920s and '30s — since the creation of the Maison Cartier in 1847. Features jewelry, watches and clocks, beauty and cigarette cases and other accessories.

WASHINGTON
National Gallery of Art, tel: (202) 737-4215, open daily. Continuing/ To July 27: "Picasso: The Early Years, 1892-1906." More than 150 paintings, drawings, pastels, prints and sculptures created between the age of 11 and 25.

CLOSING SOON

April 13: "Paul Klee: Reisen in den Suden." **Gustav Lubcke Museum, Lubeck.**
April 13: "Richard Lindner: Paintings and Watercolors, 1948-1977." **Haus der Kunst, Munich.**
April 13: "Lucian Freud: Early Works." **Scottish National Gallery of Modern Art, Edinburgh.**
April 13: "Peter the Great and Holland." **Amsterdams Historisch Museum, Amsterdam.**
April 15: "L'Architecture et le Design des Annees 30 en France et en Europe." **Musee National des Monuments Francais, Paris.**



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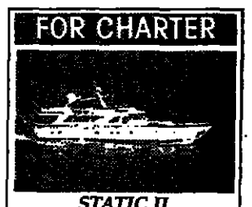

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Does Mobutu Understand It's Over?

His Sole Choice Seems to Be the Manner of His Departure

By Howard W. French
New York Times Service

NEWS ANALYSIS

KINSHASA, Zaire — By the time Mobutu Sese Seko named a general to rule Zaire under a state of emergency, people here seemed to have lost count of the aged dictator's proliferating governments.

After all, the new prime minister, General Likulia Bolongo, the most recent in a long line to be named to manage Marshal Mobutu's declining hold on power in this decade, was Zaire's third head of government in less than a week.

What is worse, for Marshal Mobutu, who has ruled for 31 years — which, excluding monarchs, is longer than any sitting head of state other than Fidel Castro of Cuba — few here now seem to accord a man who was once all-powerful the discretion to do much more than to decide in the coming days how he would like his rule to end.

From around the world, statements declaring the long Mobutu era over have been multiplying with startling speed in the last 24 hours, unleashed it seems by a declaration Wednesday by the White House press secretary that "Mobutuism is about to become a creature of history."

As if upping the ante, Zaire's former colonial power, Belgium, declared Thursday that the Mobutu era had already been over for some time. And even in France, Mr. Mobutu's most devoted supporter in recent years, Prime Minister Alain Juppe was quoted Thursday as calling Marshal Mobutu a "tired dictator."

All of this rhetoric, belated disavowals from countries that had long supported Marshal Mobutu's rule, pales, however, in comparison with the situation the government faces on the ground.

Fresh from his capture of Zaire's second-largest city, Lubumbashi, the rebel leader Laurent Kabila, who has stripped half of the country and the vast majority of its wealth from government control, delivered an ultimatum Wednesday that has every ring of seriousness about it: Surrender power within three days, or else.

And if that were not enough, the prime minister that Marshal Mobutu fired Wednesday amid a violent army crackdown on civilian opponents, Etienne Tshisekedi, declared Thursday that Marshal Mobutu's latest government was illegal, as was his state of emergency.

Mr. Tshisekedi also threatened to begin a campaign of civil disobedience and prosecute the president for treason.

For Marshal Mobutu, 66, as for so many late-20th century dictators on the skids, the choices that lie ahead are all agonizing, but nonetheless, ones that can make a huge difference to the future of his country and help decide what little of his already tattered reputation he can carry into history.

When Western ambassadors met with the new prime minister Thursday to complain that General Likulia's government represents little more than a desperate and illegal military coup d'etat, the self-justifying response that reportedly came back was that Mr. Kabila's invasion from neighboring Rwanda was itself illegal.

Marshal Mobutu is said to be the prisoner of his immense pride and a self-serving entourage that is eager to hold onto to whatever residual power there is in Kinshasa to the bitter end.

When French emissaries suggested that Marshal Mobutu relinquish power late last month, people in the presidential entourage say that their leader was so shocked that he appeared to have suffered a heart attack.

For people in these circles, composed of Marshal Mobutu's northern ethnic kinsmen and other financial beneficiaries of his decades of corrupt rule, the cause is never lost, no matter how desperate it seems.

General Likulia, a respected academic and stern law-and-order man himself, ruled out Marshal Mobutu's departure "until after elections," and, in an interview published here Thursday, compared the government's battlefield position to that of an ultimately victorious Soviet Army in the face of Hitler's winter assault.

Realistically, the most Marshal Mobutu could hope to negotiate for, diplomats say, is to remain in the country, retired at his palatial home in the northern town of Gbadolite; allowed to die in his country and given assurances that his family will not be harmed.

Mr. Kabila, sensing his imminent victory, has made an offer along these lines to Marshal Mobutu.

The worst risk, by virtually all accounts, is that Mr. Mobutu and his most committed followers delude themselves into thinking that somehow they can prevail, or alternately, that since they must lose, the country should itself go down in flames.

The Associated Press

Deputy Prime Minister Chubais at a Moscow cabinet meeting Thursday.

German Trade With Iran Hits Bumpy Patch

Reuters

BONN — Germany is a key trading partner of Iran's, but even before tensions flared between the two countries Thursday, the German Chambers of Industry and Commerce said high debts and political differences had begun to strain economic ties.

German companies exported 2.2 billion Deutsche marks ($1.3 billion) worth of goods to Iran last year, while Germany imported 1.1 billion DM in goods from Iran.

Of total exports from Germany to Iran, about 31 percent was machinery, 19 percent electrical equipment and 11 percent chemicals. Other items included food and fine mechanical goods.

German exports to Iran are down from about 8 billion DM five years ago, but despite the increased political tensions, there are still 169 German corporations with offices in Iran.

The German chamber said exports to Iran had fallen sharply because of the country's huge foreign debt, which it said was about $22 billion at the end of 1996. Germany has provided Iran with about 5.2 billion DM in export credits.

Iran's main export goods are oil, which account for 82 percent of goods sold abroad. Iran has the world's fourth largest oil reserves, and in 1995-96 produced 3.6 million barrels of oil per day.

Iran had a trade surplus of $1 billion with the European Union in 1995, according to data provided by the German Economics Ministry.

The EU exported $5.1 billion worth of goods to Iran and imported $6.1 billion worth.

Iran was ranked 42 among importers of German goods and 49 among exporters to Germany.

The German Foreign Ministry said about 500 German citizens live in Iran, which has an inflation rate of 50 percent and 50 percent unemployment.

ANGOLA: *Lingering Conflicts Mar Peace*

Continued from Page 1

Mr. Savimbi to Preside.it dos Santos.

Mr. Savimbi's suspicions illustrate the enmity that still exists between some elements of UNITA and the MPLA. The most ominous turn of events is the shift of the Angolan hostilities onto Zairian soil, diplomats say.

From rear bases just inside the Zairian border that they have maintained for several years, UNITA guerrillas are believed to be fighting on the side of President Mobutu Sese Seko, whose 31-year-old regime is being shaken by rebels in eastern Zaire, diplomats say.

During the Angolan war, Marshal Mobutu supported UNITA and allowed the United States to ferry weapons through Zaire to Mr. Savimbi. Despite their mounting troubles at home, Zairian officials were still supplying UNITA early this year, diplomats say.

Mr. dos Santos, bitter over Marshal Mobutu's support and hoping to cut off UNITA's remaining lifeline, has dispatched his armed forces to advise the Zairian rebels, diplomats say.

Some of the diplomats said they feared that UNITA and MPLA involvement in the Zairian war could spark anew the conflict in Angola. But an official close to Angola's peace process said that is unlikely because, by and large, UNITA is in a far weaker military position than in previous years.

Most of Mr. Savimbi's troops are believed to have gathered in demobilization camps from which many will be integrated into the Angolan Army under the Lusaka accord. About 63,000 guerrillas turned themselves in at demobilization camps over the past several months, said Mr. Tadeo, the UNITA official, but 25,000 of them have deserted.

Although that number sounds ominous for peace, the deserters were most likely militiamen or civilians whom UNITA pressed to enter the centers to meet the numerical requirements for troop demobilization, said an official close to the peace process. But about 4,000 rebels from units historically close to Mr. Savimbi are unaccounted for.

The United Nations hopes to observe the transition process carefully, creating a new mission to oversee the political and administrative amalgamation of the two parties, and to track performance on human rights issues.

Those are daunting tasks, considering that there are vast sections of Angola that since independence have known no authority other than UNITA. The new government, said a person close to the transition process, "will be moving into areas of the country that have not been under government control effectively since 1975, except for a brief period in 1991 and 1992."

RUSSIA: *Reformers Aim at Energy Giants*

Continued from Page 1

agency. "Restructuring is like breathing. We need it like air. Monsters like that can set any price. They inflate their prices. That is why energy prices are very high, everywhere.

"This new campaign has very few chances of success for political reasons," she added. "But economically, it is not difficult to do."

Unified Energy Systems is the dominant power company in Russia, with control over 70 percent of electricity generation and 100 percent of transmission, according to Brunswick Brokerage. It is owned 51 percent by the state. In recent days, Mr. Nemtsov has been pressing the government to take firmer control. He has criticized the company for inefficiency, for setting rates too high, and for failing to pay its tax and pension obligations, and he has promised to lower electric rates to industry in hopes of reviving the manufacturing sector. Liberal reformers have also suggested spinning off the regional electric companies that are partly owned by the national monopoly.

Gazprom, which is the largest supplier of natural gas in the former Soviet Union and provides a quarter of Western Europe's supplies, is 40 percent owned by the state. But the Yeltsin government has never asserted much control over Gazprom, and allowed the company's management to hold 35 percent of the total shares in "trust" for the state under a 1993 agreement renewed last year.

Thursday, however, the head of the State Property Committee, Alfred Kokh, made the surprising suggestion that Russia might reclaim control over those shares. Mr. Kokh cited Gazprom's decision to purchase 30 percent of the NTV television channel and invest in other media and banking properties last year while it still owed millions of dollars in taxes to the state. "The interest of the state in Gazprom," he said, "is to see it pay all the taxes." Gazprom has responded that it, too, is suffering because it is not being paid for gas deliveries.

Critics have also called for more drastic structural changes in Gazprom, such as breaking its monopoly on gas transportation. But the company has recently been aggressively defending itself. Gazprom announced an internal restructuring, and, after years of financial secrecy, has promised to deliver Western-standard audits. Several experts predicted the reformers may steer clear of a collision with Gazprom because of its political prowess.

But the company seems worried. On Thursday, Rem Vyakhirev, the chairman, made a highly unusual, and defensive, appearance on the floor of the lower house of Parliament, the State Duma. Mr. Vyakhirev asserted that the international oil and gas companies, as well as the monetary fund and the Russian Finance Ministry, were behind the effort to break up Gazprom and warned that it would not help consumers. The Duma then passed a resolution calling for Gazprom to remain intact.

The Communist Party leader, Gennadi Zyuganov, also rushed to defend the Russian monopolies. He said Mr. Chubais and Mr. Nemtsov wanted to destroy the links that held Russia together — the "railroads, electric power lines, gas and oil pipes, and communications systems," he said. "The country will almost inevitably collapse, which will be a planetary disaster."

TERROR: *German Court Ruling*

Continued from Page 1

months of sifting through evidence that the slaying of the Kurdish exiles was part of a terror campaign to eliminate dissidents abroad that could only be orchestrated by Tehran.

"The Iranian political leadership is responsible," the judge declared. "It is proved that there was an official liquidation order."

Iran's foreign minister, Ali Akbar Velayati, had warned that "a negative verdict in the Mykonos trial will have a negative impact on political and economic ties between Tehran and Bonn." But he dismissed the possibility of reprisals and said, "German nationals will have full security."

Last fall, when prosecutors first charged that Iran's spiritual leader, Ayatollah Sayed Ali Khamenei, and its president, Hashemi Rafsanjani, were personally involved in ordering the killings, a wave of anti-German street protests erupted in Tehran.

As the verdict was read Thursday, hundreds of Iranian exiles who had gathered in and around the courthouse cheered, clapped and danced in exultation.

Iran is particularly incensed that the prosecution based its case on testimony by such exiles as Abol-Hassan Banisadr, a former president, and Abol-Hassem Mesbahi, a former security official. Both defectors drew on their intimate knowledge of the Iranian hierarchy to assert in court that assassinations could be approved only at the highest levels of the government.

Delivering the court opinion, Judge Kubsch said the court was struck by boasts from Iran's leaders whenever they wanted "to silence an uncomfortable voice." He cited a television interview given by Iran's intelligence minister, Ali Fallahiyan, in August 1992 — a month before the Mykonos killings — in which he bragged about Iran's ability to launch "decisive strikes" against its opponents abroad.

According to court documents, Mr. Fallahiyan was delegated by the special operations council to carry out the plan. He contacted Kazem Darabi, an Iranian grocer in Berlin known to the German police as an Iranian agent.

Mr. Darabi recruited Lebanese accomplices. They targeted three leaders of the Democratic Party of Iranian Kurdistan, an important opponent of the Iranian regime, who were attending a Socialist International convention here.

The Kurds were tracked by Mr. Darabi and his group to the Mykonos restaurant, where they were said to be plotting anti-Tehran strategy in a back room over dinner. Two masked gunmen burst into the room, shot the Kurds and fled.

The police immediately focused their attention on Mr. Darabi, who had previously come under suspicion for attacks on Iranian dissidents. He and his accomplices were arrested weeks after the shooting and the police seized guns used in the murders that were identified as coming from Iranian Army arsenals.

Mr. Darabi and his chief accomplice, Abbas Rhayel, were found guilty of murder and sentenced to life in prison. Two other men, Youssef Amin and Mohammed Atris, were given terms of 11 years and 5 years and three months. A fifth man, Atallah Ayad, was acquitted.

■ Washington Hails Verdict

The United States hailed the court finding and said that Germany should draw its own conclusion about ties with Iran, Reuters reported from Washington.

"The United States commends the courage of the German prosecutor, the German judges and the witnesses," said the State Department spokesman, Nicholas Burns. "We are confident that the verdict was based on the court's objective evaluation of the evidence."

BOLSHOI: *With a Lift From Yeltsin, Who Fired Director, Theater Gets Back on Its Feet*

Continued from Page 1

"Spartacus" with the grace and certainty of a swan.

"Yes," shrieks her teacher in genuine delight. "Now *that* is worthy of the Bolshoi. That is how you will show them our greatness."

Just two years ago, nobody would have dared say a word about the greatness of Russia's most famous and influential cultural institution. The theater, ravaged by artistic, economic and spiritual depression, was considered to be in rapid decline.

Its immensely powerful longtime director, Yuri Grigorovich, was compared even by his admirers to Stalin. Salaries had become so pathetic that many of the most promising young dancers and musicians were leaving. The repertory — at the ballet and opera — consisted of classics and Grigorovich ballets with only a few new productions of works by Balanchine, Bournonville and others.

"The theater was in a terrible crisis," Anatoli Agamirov, a leading dance and music critic, said. "The peril was genuine. It had become like a giant coalfield that had exhausted itself. There was nothing left to mine there — nothing but bitterness."

Mr. Grigorovich's famous maxim that "theater is a museum" had essentially turned the Bolshoi into just that: a place to view the past. An evening spent there was the artistic equivalent of forcing down the most leaden of Russian meals.

The situation finally got so bleak that President Boris Yeltsin of Russia decided to intercede.

In a stroke that itself seemed worthy of the melodramatic tradition of classical Russian performance, Mr. Grigorovich was fired early in 1995 and replaced by a former protégé — and current archenemy — Vladimir Vasiliev.

Mr. Vasiliev, 56, one of the era's greatest dancers, immediately hired another enemy of Mr. Grigorovich's, Viacheslav Gordeyev, as artistic director.

While reforming the lumbering, often hidebound Bolshoi — with its 2,500 employees and more than 1,000 performers — has been compared to saving the dying Russian Army or reviving the country's atrophied industrial base, change has been evident everywhere.

"I don't want to say anything bad about the past leadership of this company," said Ms. Antonicheva, 23, generally regarded as one of the Bolshoi's most talented young stars. "But there is a new feeling here now that is exciting. It is a freedom — but not so much freedom that we have forgotten who we are."

It has not been an easy transition, however, and it is not yet over. Mr. Vasiliev's task — to move the enormous artistic enterprise forward without jettisoning its essential past — would be a difficult task for anybody. Russians expect the Bolshoi to deliver, regularly and beautifully, both 19th-century classics and 20th-century ballets.

Innovation is possible; experimentation is not. For decades the Bolshoi had been so sacred a Russian institution that it was no more acceptable to criticize its performance or leaders than it would have been to attack the chairman of the Communist Party.

But like the party itself, the Bolshoi under Mr. Grigorovich had become stagnant and rent by factions. People in the Vasiliev camp and another group headed by the great ballerina Maya Plisetskaya would work for decades without talking to those who were acolytes of Mr. Grigorovich.

Most people agreed that to save the institution, which flourished under both the czars and Soviet leaders, a major change was required.

Nonetheless, Mr. Grigorovich's sudden dismissal caused the first strike in the Bolshoi's 200-year history. Many stars refused even to speak with his replacement, who had a well-earned reputation for being willing to criticize the institution, even when he was one of its most famous dancers.

Mr. Vasiliev started lobbing grenades as soon as he went to work in the grand but dilapidated building. This year, keeping his promise to inject new vision into a tired list of ballets that had been produced exactly the same way for 25 years, he introduced a dramatic new version of "Swan Lake." He updated the action and even modified the choreography in the first lakeside scene, something that even experimental Western choreographers leave untouched.

It was as if Mr. Vasiliev had announced his intention to replace the classical Bolshoi canon with improvised street theater. Critics, many of whom regard Tchaikovsky's music as a principal symbol not only of grand ballet but also of the soul of Russia itself, were enraged and declared the production a disaster. Mr. Vasiliev was left wondering where to turn next in his search for the future.

"I have never believed that as an artist I have the right to alter the atmosphere of this majestic theater," Mr. Vasiliev said in an interview in his plush red office, where a single silver swan filled with fruit sits on his ornately designed desk.

"I wanted to move the horizon just a little bit. That has proved to be harder than I thought it would be."

"There is nothing that new in my 'Swan Lake,'" he continued. "Believe me, I would love to be a radical. But each of us lives in the world that makes sense to us as an artist. I hope I can push the theater in new directions. I think I can. But a radical I will never be."

Despite the controversy and pain it has caused, Mr. Vasiliev seems to be winning in his attempt to edge the company toward the next century.

Curiosity about the new productions has won back many Moscow regulars who had deserted the theater. Tourists who had become reluctant to pay as much as $75 to see a bad ballet have been advised to try again. (Normal prices for people who are willing to stand in line are usually less than $10.)

Ticket sales are now stronger than they have been in five years.

GULF: *CIA Admits It Erred on Demolition of Iraq Nerve Gas Depot*

Continued from Page 1

provided to the Pentagon before the 1991 Gulf War, an intelligence failure that led American troops to assume that it was safe to blow up the depot in the weeks after the war.

The Pentagon announced last year that more than 20,000 American troops might have been exposed to nerve gas and other chemical weapons as a result of the explosions.

"I'll give that apology — we should have gotten that information out sooner," said Robert Walpole, the agency official who is overseeing the CIA's investigation of possible chemical exposures during the Gulf War.

In detailing the history of intelligence-gathering during the Gulf War, Mr. Walpole said, "This is the chapter that lays out some not-so-pretty news."

The report offered no new evidence to support or refute the claims of the Gulf War veterans who believe they were made sick by exposure to Iraqi chemical weapons during the conflict.

There were no reports of American troops' falling ill at the time of the explosions at Kamisiyah in March 1991, and scientists are divided on whether exposure to low levels of nerve gas can indeed lead to any chronic health difficulties.

But the CIA report — and dozens of declassified intelligence reports that were released along with it — show there was detailed evidence before and during the war about the presence of chemical weapons at Kamisiyah.

Mr. Walpole said the information was never properly analyzed or shared within the government in part because of the "tunnel vision" of intelligence analysts who convinced themselves that chemical weapons were not at Kamisiyah during the Gulf War, even though chemical munitions were stored there in large numbers during the Iran-Iraq war in the 1980s.

In an introduction to the report, the acting director of central intelligence, George Tenet, said the documents proved that "intelligence support associated with operations Desert Shield and Desert Storm, particularly in the areas of information distribution and analysis, should have been better."

The release of the documents raised new questions about the credibility of CIA officials who insisted repeatedly last year that the government was withholding no information about the incident at Kamisiyah or about the possibility that American troops had been exposed to chemical weapons elsewhere in the Gulf.

The issue is certain to be raised when Mr. Tenet testifies before the Senate Intelligence Committee at his confirmation hearings, which have not yet been scheduled. Veterans groups said they thought Wednesday's report was an effort to head off some of the criticism of the CIA that could be expected at the Senate hearings.

"This is evidence either of an unraveling cover-up or of an unprecedented intelligence failure," said James Tuite, who led a 1993-1994 investigation of Gulf War illnesses for the Senate Banking Committee.

The documents also provided dramatic support to the assertions of two former agency analysts, Patrick and Robin Eddington, who resigned from the CIA last year and who went public with their allegations that the agency was withholding evidence about chemical exposures during the Gulf War.

Mr. Walpole, who said the documents had resurfaced in recent weeks only after an intensive search of the agency's files and computer banks, acknowledged at the news conference that the "CIA's credibility has suffered in this effort."

JUPITER: *Fracture Hints at an Ocean*

Continued from Page 1

extraterrestrial life. Europa has no atmosphere to speak of, so for life to exist there, it would have to be in the subsurface ocean.

Oceanographers examining volcanic vents on the floors of Earth's seas have found evidence that these could be sites where terrestrial life began some 3.8 billion years ago.

The other most likely place in the solar system where life might have begun is Mars. Surface erosion shows water probably flowed on the Martian plains in the past. Last year, a meteorite from Mars was reported to contain minerals and other characteristics associated with life.

Ronald Greeley, a planetary geologist from Arizona State University in Tempe, said the widespread phenomenon of ice blocks on Europa's surface resembled pack ice on Earth's polar seas during spring thaws. "The size and geometry of these features lead us to believe there was a thin icy layer covering water or slushy ice, and that some motion caused these crustal plates to break up."

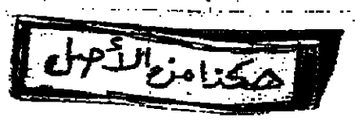
Richard Terrile, a planetary scientist at the Jet Propulsion Laboratory in Pasadena, California, gave an even more enthusiastic interpretation. "These are really mind-blowing pictures," he said. "How often is an ocean discovered? The last one was the Pacific by Balboa, and that was 500 years ago."

NASA made the pictures public Wednesday at a news conference at the Jet Propulsion Laboratory, where the Galileo mission is being directed. The pictures were taken Feb. 20 as the Galileo spacecraft swung within 363 miles (580 kilometers) of Europa, the closest it or any other craft has ever come to the Jovian moon. Galileo is in its second year of orbiting Jupiter and taking close-up photographs of the planet's four major satellites.

John Delaney, an oceanographer at the University of Washington in Seattle, who has championed the concept of possible life on Europa, when asked if he thought there was life there, replied, "I'm sure there's life."

Torrence Johnson, the mission's chief scientist, noted that there was "no evidence directly bearing on life" in any water on Europa.

"What we have found are the building blocks or the environment that are conducive to life," he explained. "But we don't know if those conditions necessarily lead to life."



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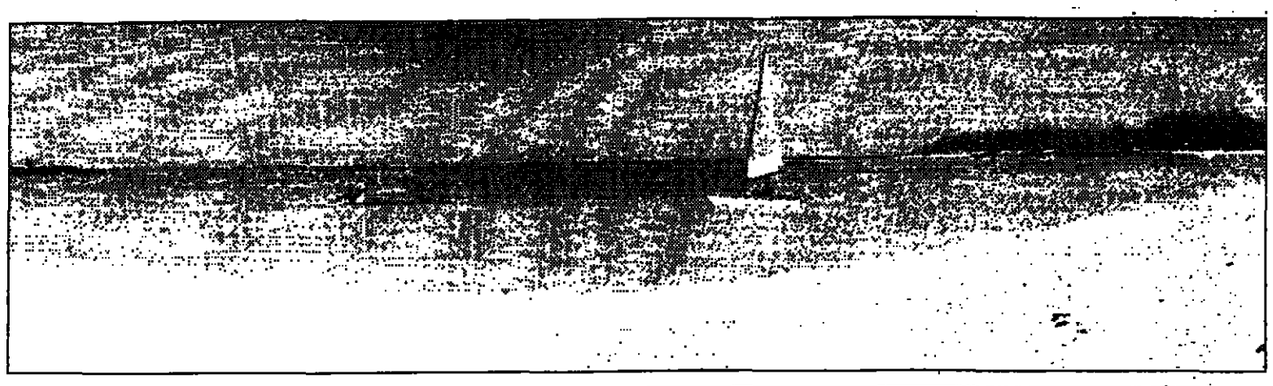
A country of stunning natural beauty, Mauritius has an impressive record for maintaining a flexible and democratic political system and remarkable economic growth. The diverse population has benefited from sustained investment in education and improved living standards. Mauritian businesses are diversifying their interests in Africa and Asia, while new investors take advantage of the country's financial and high-tech services, sophisticated telecommunications network and attractive investment incentives.



HIGHER LIVING STANDARDS AND ECONOMIC DIVERSITY

In the middle of the Indian Ocean, with no natural resources other than its celebrated beaches, Mauritius has forged a remarkable economic success story.

The United Nations Development Program's latest human development report placed Mauritius's human development index – which measures life expectancy, education and adjusted real income – 54th among the world's 174 nations. The country's per capita GDP of $3,500 was ranked 33rd in the world. Unemployment is at 1.7 percent.

The report notes that since 1968, GDP has grown at a rate of 5 percent per year, income inequality has declined, life expectancy has risen from 62 to 70 years and the population over age five that has never attended school has fallen from 52 percent to 11 percent.

Underpinning this impressive improvement in living standards is long-term planning, liberal economic policies, close cooperation between the government and the private sector, sound macroeconomic management, a favorable international trade environment and political stability guaranteed by a deeply entrenched parliamentary democracy. In addition, says Anil Currimje, deputy managing director of Currimje Jeewajee & Co., "We have a proven spirit of entrepreneurship."

Until the late 1950s, the island had a one-crop economy revolving around sugar. When independence was declared in 1968, sugar still accounted for over 95 percent of exports and 25 percent of GDP. With the 1960s came the launch of import-substitution manufacturing activities. In the 1970s, export industries, such as textiles, were also encouraged. A full-fledged export-led strategy was adopted during the 1980s, and in the early 1990s legislation paved the way for the development of offshore business and freeport activities, while, says N Mallam-Hasam, the managing director of Air Mauritius, "market-driven reforms have been the basis of a conducive investment environment."

Diversified economy

Today, the four pillars of the Mauritian economy are sugar, textiles, tourism and financial services, all of which continue to show impressive growth. Sugar sales this year, mostly to the European Union, are expected to exceed $400 million. Textiles and products of the export processing sector reached $1 billion in 1995. A record 487,000 tourists visited the island last year, spending a total of $500 million. Since its founding in 1971, the export processing zone (EPZ) has helped to raise the contribution of manufacturing to GDP from 14.9 percent in 1979 to an average of 33 percent in 1996. The EPZ accounts for about 50 percent of manufacturing output.

In addition, total investment by the public sector rose from 27.6 percent of GDP in 1993 to 32.9 percent of GDP in 1995, which in turn has helped to underpin the average real GDP growth of 5.2 percent over the past three years.

The challenges ahead

"Our past growth has relied on access to preferential markets," says Finance Minister Vasant Bunwaree. "These trade agreements, in the wake of the liberalization of global trade, may come under pressure."

Mr. Bunwaree is confident, however, that Mauritius can sustain its past economic record. "With increases in total factor productivity, shifts to higher-value-added products and activities, and effective use of modern technology in production and communications, the Mauritian economy should be able to continue achieving high rates of growth," he says.

"We are, moreover, putting in place the required foundations for moving onto a higher development path through the modernization and reform of many of our sectors and structures. This includes the taxation system, the framework governing the financial services sector and the functioning of our civil service and the educational system." Mr. Bunwaree forecasts that in five years, "we would have completed or at least made significant progress in the reform process of our institutions, structures and policy framework. We thus expect our economy to be more diversified and globally more competitive." ●

FROM TEXTILES TO HIGH-TECHNOLOGY

Mauritius's export-oriented manufacturing sector accounts for 33 percent of GDP, 42 percent of employment and 74 percent of export earnings.

Providing support for this sector are four statutory corporations, which enjoy a high degree of autonomy and are chaired by representatives from the private sector: the Mauritius Export Development Investment Authority (MEDIA), the Mauritius Standards Bureau, the Small and Medium Industry Development Organization and the Export Processing Zone Development Authority.

Investors in the Export Processing Zone (EPZ) agree to export all their output. In exchange, they enjoy tax relief of 10 to 20 years, tax-free dividends for five years, duty-free imports of raw materials and machinery, and low-interest loans. Industrial buildings are rented inexpensively, and electricity and water are supplied at cost.

In 1971, there were nine enterprises in the EPZ employing 644 people and accounting for 1 percent of total export earnings. Within five years, this grew to 85 enterprises employing 17,403 people and contributing 13 percent of total exports. Gross EPZ export earnings have continued to rise and surpassed $1 billion in 1996, while net exports should total a record $440 million.

Maurice De La Tour, director of Floreal, says: "Right from the beginning, textile factories in Mauritius have dominated other industries." In 1995, textiles accounted for 87 percent of jobs and 81 percent of EPZ exports.

Today, the government is taking steps to encourage modernization of production facilities and diversification in the EPZ. Changes in the GATT and in the Multi-Fiber Arrangement (MFA), combined with increased competition from low-cost countries, have contributed to an overall leveling off of growth in the EPZ – last year, closures were double the number of new entries.

As Satyadev Bikoo, director of MOBAA explains, "The logic of growth demands that we go into more skill-intensive areas and that there be linkages in the economy."

Bank of Mauritius Governor Mitrajeet Maraye says that Mauritius has now "attained a level of development that imperatively requires an upgrading of its workforce. A strategic shift toward greater automation is needed. In the drive for productivity-based growth, information technology is important. More resources need to be directed toward strengthening the infrastructure relating to information technology."

The most visible result is Informatics Park, built by MEDIA in Port Louis, where foreign information technology companies benefit from access to sophisticated telecommunications services and tax incentives. Other developing sectors include electronics, printing and publishing, pharmaceuticals, jewelry and light engineering.

"The only way we will succeed is to be globally more competitive and add value, not cost," says Anil Currimjee, deputy managing director of Currimjee Jeewanjee & Co. Mauritius's fourth largest company, Currimjee was one of the first to invest in the EPZ, with a knitwear factory. Today, the group produces cellular telephones and is introducing satellite television. Mr. Currimjee sums up this new forward-looking strategy: "To move ahead, we must specialize and become niche players." ●

ADVERTISEMENT

Message from the Minister of Finance, Dr. The Honorable Vasant Kumar Bunwaree

MAURITIUS is more than an island paradise, renowned for its turquoise lagoons and sunny beaches. It is also a fast-expanding financial and business hub in the Indian Ocean. Mauritius enjoys solid economic fundamentals and a strong, modern and well-diversified industrial base. While sugar continues to play a prominent role, leading the economy is the buoyant, export-oriented manufacturing sector. The progression of up-market tourism has also exceeded all forecasts. The next pillar of growth to take Mauritius into the new millennium will be financial services. Already this sector, which includes offshore investment and freeport activities, is showing rapid and healthy expansion.

THE contribution of foreign investors, whether directly or in joint ventures with dynamic local entrepreneurs, has been instrumental to our sustained momentum of economic growth. Attracting foreign investment will continue to be a centerpiece of the government's economic development policy.

POLITICAL stability, a liberalized and outward-looking economy, a well-educated and adaptable workforce, and a strong public-private sector partnership are among the numerous advantages that Mauritius has to offer to potential investors. In addition, investors can benefit from our competitive tax regime, as well as our fast-growing network of double-taxation avoidance treaties. Capital can be freely repatriated, as can tax-free capital gains. In fact, no exchange controls exist in the country.

MAURITIUS, with its investor-friendly environment, is a safe and rewarding place to do business. Foreign investment on the Mauritian stock exchange, for example, has been on the order of 40 percent of market turnover during the past six months.

MAURITIUS enjoys an investment grading of "Baa2" from Moody's, a rating much higher than that of many larger emerging markets.

THE country has invested heavily in upgrading its infrastructure and can now boast some of the most modern road networks, port and airline facilities in the region. Our highly efficient telecommunications network, achieved through the implemention of state-of-the-art technology, means that our distance from European and U.S. markets and the major financial sectors is no longer a constraint.

MAURITIUS has played a key role in the launch of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), which already groups 14 countries from Africa, the Middle East, Southeast Asia and Australia, and will assume the chairmanship of this path-breaking association over the next two years. Together with our active involvement in other regional groupings in Africa, such as SADC and COMESA, and our strategic location in the Indian Ocean, Mauritius can serve as a strong and vital link between the Far East and the emerging economies of Eastern and Southern Africa.

Our highly efficient telecommunications network, achieved through the implemention of state-of-the-art technology, means that our distance from European and U.S. markets and the major financial sectors is no longer a constraint.

MAURITIUS is committed to adopting bold and innovative policies which will enhance the positive image it already enjoys at an international level as a vibrant economic zone, and which will contribute to its continued success and prosperity.

A CATALYST FOR REGIONAL COOPERATION

With its strong economy and strategic location, Mauritius plays a pivotal role in regional integration initiatives. It is a leading member of two emerging groups, the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC), as well as a founding member of the Indian Rim Association for Regional Cooperation (IOR-ARC), which includes 14 countries from Africa, the Middle East, Southeast Asia and Australia.

In addition, Finance Minister Vasant Bunwaree says, "A number of Mauritian companies are already implanted in Madagascar, while investment opportunities with other African countries such as Mozambique have opened up considerably. Mauritian banks have opened branches in Reunion, Madagascar and in India."

Another key element is Mauritius's active commercial freeport, whose goal is to encourage greater transshipment and re-export activities and to make Mauritius a focal point for trade with the African continent, the Indian Ocean islands and countries in the Far East.

Satyadev Bikoo, director of the Mauritius Offshore Business Authority (MOBAA) says, "We are capitalizing on our strategic position to establish ourselves as a dynamic business and financial linchpin of the region."

Freeport companies benefit from tax and duty exemptions on imported machinery, equipment and materials; reduced port charges on goods destined for re-export; reduced rates on warehouse and storage; access to offshore banking facilities; and income tax exemption on profits.

The main sources of freeport trade inflows are China, India and other Asian countries, while neighboring islands and African nations are the major destinations for re-exported goods.

The prospects for continuing rapid expansion of the freeport are favorable. The number of freeport licenses has grown to around 350, while the number of freeport companies rose from 63 in June 1995 to 106 last year. During this period, turnover increased by nearly 70 percent, from 715 million Mauritian rupees ($35.8 million) to 1.2 billion.

The development of intra-regional trade will, in turn, strengthen and consolidate the services sector and allow Mauritius to become a major regional warehousing and distribution center.

Mauritius has another role to play in the region, Mr. Bunwaree says: "Each country's development experience is unique. Nonetheless, some insights can be gained from the Mauritian development experience. These include good governance, allowing the private sector to develop and flourish, provision of and access to education, and pragmatism in policy making." ●

"MAURITIUS" was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITER: Stuart Siegel is based in Johannesburg.
PROGRAM DIRECTOR: Bill Mahder

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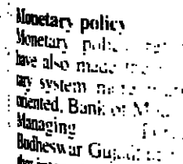


Satyadev Bikoo, ... MOBAA.

MAURITIUS

New Markets and Improved Competitiveness

Sugar cultivation was introduced in Mauritius by the Dutch in 1639, and until the 1960s the island remained virtually a single-crop economy.

Sugarcane still covers 45 percent of the country's total land area and 93 percent of its cultivated area. It accounts for about 60 percent of the agricultural sector's contribution to GDP and nearly one-quarter of total agricultural export earnings.

Though agriculture as a whole represents only 9.8 percent of GDP, down from 18.7 percent in 1979, the economy is still vulnerable to fluctuations in the volume and value of sugar exports.

Agricultural diversification has been severely constrained by Mauritius's climactic conditions – sugarcane is unusually resistant to the cyclones that storm the island – and, although Mauritius produces other crops, about 75 percent of its food requirements are imported. Most Mauritian sugar is sold at guaranteed prices, which in recent years have been well above the world free-market price. The final GATT accord guarantees Mauritius access to EU markets, at zero tariff, for an annual 507,000 tons of sugar.

This represents nearly 75 percent of sugar production in a normal year. A provision in the Sugar Protocol allows for this access to outlive the Lomé Convention, set to be renegotiated in 2000.

The recently concluded special Preferential Sugar Agreement assures Mauritius access for an additional 85,000 tons to the EU, at a price representing 85 percent of the price guaranteed by the protocol. This agreement ends in 2001.

Millers and planters

Today, 17 big millers and planters cultivate about 55 percent of the total land area; they account for a much higher proportion of sugar production as a result of better yields. About 33,000 small planters cultivate the remaining area, and their cane is processed by the same 17 leading millers and planters.

All sugar produced is sold through the Mauritius Sugar Syndicate (MSS).

In December 1990, the government launched a 7.3 billion Mauritian rupee ($365 million), five-year agricultural development plan to strengthen and modernize the sugar industry.

In 1992, a new plan was launched to boost the entire agricultural sector. A bill was passed in January 1993 to further reduce the sugar export duty and provide new incentives for producers. Sugar factories have been allowed to close in a bid to rationalize and improve efficiency in the industry.

Paradoxically, sugar has been critical to Mauritius's economic diversification. Budheswar Gujadhur, managing director of the Bank of Mauritius notes, "Sugar is where we started. It has been our seed capital for expansion."

Sugar capital

Revenues from the sugar sector have provided capital for investments in the export-oriented manufacturing sector and in the development of the tourism sector.

Before 1960, sugar was almost the entire basis of the manufacturing sector, with some 8,000 people employed in the sugar mills.

The drive to develop new markets has led to the increasing production of sugarcane by-products, such as molasses, bagasse (used to raise steam-levels in factories) and filter scums (applied to fields at planting time). ●

The Paradise Cove Hotel is just 12 miles (20 kilometers) outside of the capital city, Saint-Louis.

White Sands and Blue Seas

Sheer distance from its principal tourist market in Europe adds to the paradise appeal of Mauritius. The beaches are unspoiled, sunshine is guaranteed for most of the year and the island offers a variety of activities, ranging from snorkeling, fishing and sailing to golf, casinos, delicious cuisine and a sophisticated nightlife.

Tourism is Mauritius's third most important industry in terms of foreign exchange earnings ($405 million for the year to June 1996). Only manufacturing and sugar are bigger earners.

Accounting for some 5 percent of GDP, tourism employs (directly and indirectly) about 50,000 people out of a labor force of 400,000.

Since the mid-1990s, numerous small hotel outlets have opened in all the main tourist resorts. Car rental firms have grown, and local tour operators and travel agencies have realized healthy growth.

Banner year

A record 487,000 visitors traveled to Mauritius in 1996, staying an average of 10 nights.

Air Mauritius has expanded its fleet and now flies to 28 destinations, adding some two new destinations per year, geared particularly to developing the market for visitors from the Far East.

Last year, a new tourist body – the Mauritian Tourism Promotion Authority (MTPA) – replaced the Government Tourism Office. The MTPA is managed by a board of directors comprised of three government officials and three representatives of the private sector.

Quality is top priority

The 90 licensed hotels in Mauritius – operating 6,670 rooms – cater to all tastes and budgets.

The government and private sector tourism policy is to encourage quality, and hotel-owners and tour-operators are committed to keeping the market both exclusive and affordable.

Says Air Mauritius Director Vijay Poonoosamy: "We don't want mass tourism; we want quality tourists. Mauritius is promoted as a select destination."

The government's goal is for the industry to expand by an annual average of up to 10 percent. Hotel projects can qualify for development certificates, and the government itself has made financing available through the Development Bank.

Sun Resorts Director Arnaud Martin does not believe saturation has been reached: "Only 9 percent of the coastline is developed. There is a lot to go. Also, 600,000 annual tourists, or 50,000 per month, are not too many for a population of 1.1 million."

In Mauritius, Offshore Business Is Booming

Offshore business is growing in Mauritius as the government seeks to attract foreign investment and make the country an international financial services center.

The first offshore bank in Mauritius opened in 1989, and there are now seven such institutions. In 1992, new legislation paved the way for non-banking offshore financial services. The real boost came later in 1992, when the Mauritius Offshore Business Activities Authority (MOBAA) was founded as the licensing and regulatory organization for non-banking offshore financial services.

Satyadev Bikoo, director of MOBAA.

Offshore advantages

Some 2,800 offshore companies are registered in Mauritius, along with 2,100 international companies. These entities can conduct business only with nonresidents and in currencies other than the Mauritian rupee.

An offshore company is authorized to raise capital from the public and is characterized by its provisions for investor protection.

An enterprise registered in a foreign jurisdiction can also act as an offshore company, which allows its existing holdings in a country with a double taxation treaty with Mauritius to benefit from tax relief. The bulk of these offshore companies (1,600) are investment holding firms, and there are a further 100 funds managing some $3.1 billion. Almost all monies are invested in India, where Mauritius has a favorable double taxation treaty and has become the fourth-largest foreign investor.

An international company is a more flexible corporate vehicle that provides for greater confidentiality and is suited for holding and managing private assets. It is, however, not allowed to raise capital from the public, nor can it benefit from double taxation relief.

The 30 existing management companies, most of them subsidiaries of large international consultancy firms, are an integral part of offshore business. Licensed by MOBAA, they provide essential services like company formation, administration and management, trust registration and trusteeship.

Strict regulations

Applications for an offshore license must be channeled through a management company, which carries out the initial vetting of the client.

Satyadev Bikoo, director of MOBAA, says his priority is to establish the island as a well-regulated and credible offshore jurisdiction.

"MOBAA has ensured an efficient and effective supervisory structure. Treading on the side of caution has earned Mauritius a good reputation worldwide. This will be the driving force in our success as an integrated international financial services center."

Barclays offshore banking unit manager, Andrew Frearson, agrees: "Mauritius is clean. It is recognized that it is in all our interests to ensure a clean system. Approaches regarding ghost money have been squashed."

Mr. Bikoo adds: "We are aware that we should not fall into the trap that a few jurisdictions have fallen into, namely, relaxing rules and regulations to increase the quantity of business."

Offshore banking is supervised separately by the central bank.

Within the non-banking sector, there is a two-tier supervisory structure, with clients approved by both a management company and MOBAA.

"MOBAA has always tried to keep the right balance between commercial freedom and regulation," says Mr. Bikoo, "against the background of an unflinching concern for the image of Mauritius." ●

Expanding the Financial Landscape

The liberalization of the financial system and the establishment of a stock market, freeport facilities and offshore businesses have reshaped Mauritius's financial landscape. In September 1993, Mauritius graduated to Article VIII status of the IMF Articles of Agreement. With the suspension of exchange control in July 1994, all restrictions on capital flows were lifted.

Monetary policy

Monetary policy reforms have also made the monetary system more market-oriented. Bank of Mauritius Managing Director Budheswar Gujadhur notes that interest rates have been fully liberalized, and all quantitative controls on credit have been abolished.

"Mauritius has moved away from direct controls to a more active use of indirect or market-based instruments to achieve its macroeconomic objectives, he says. "Market-oriented policies are firmly in place."

The Banking Act of 1988 designates the Bank of Mauritius as the central licensing and regulatory authority for all banking activities. The country's 11 domestic commercial banks and seven offshore banks operate 148 branches and had assets totaling $31.8 billion in July 1996.

An interbank foreign exchange market in U.S. dollars has been established through a screen page on the Reuters system. The Bank of Mauritius intervenes only by buying or selling U.S. dollars.

And, adds SEC Chief Executive Sharda Dindoyal, "Alternative financing mechanisms and markets such as options and futures and a secondary bond market are developing."

Stock exchange

The Stock Exchange of Mauritius (SEM) was founded in 1989 and is supervised by the Stock Exchange Commission (SEC). Tax incentives encourage firms to list. Currently, 11 stock brokerage companies employing 34 brokers operate on the SEM.

In a major move to internationalize the capital market, the SEM has opened to foreign investors, who account for 42 percent of total turnover and have stakes in two brokerage firms.

The 45 enterprises listed on the SEM have a market capitalization of 5.5 billion Mauritian rupees ($1.75 billion), the largest being Mauritius Commercial Bank (14 percent). Some 5.5 billion Mauritian rupees has been raised on the SEM. Although only four new firms came to the SEM last year, and none this year, Ms. Dindoyal notes that "most of the major firms have already listed."

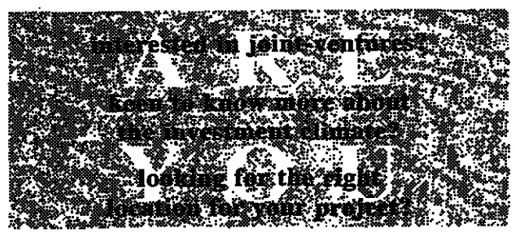
Turnover in 1996 was a record 1.6 billion Mauritian rupees (on 92 million shares traded). The benchmark Semdex index (100 in 1989) climbed to 474 in 1994 before dropping to 344 in 1995. It rose again to 367 at the end of February.

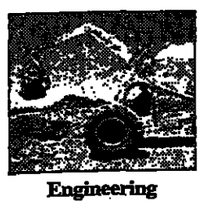
In addition to SEM, there is an over-the-counter equity market on which 70 listed firms generated turnover of 167 million Mauritian rupees in 1996.

Two state-owned enterprises, Air Mauritius and the State Bank of Mauritius, have been partially privatized; the government retains 51 percent of each. More are expected to follow soon, including Mauritius Telecom. ●

Destination Mauritius

Pharmaceuticals





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Mauritius Export Development & Investment Authority
c/o Mauritius High Commission
32-33 Elvaston Place, London SW7 5NW, U.K.
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For further information, call the MOBAA Authority.

Mauritius

MOBAA

Mauritius Offshore Business Activities Authority, 1st Floor, Deramann Tower,
30 Sir William Newton Street, Port Louis, Mauritius
Tel (230) 211 0494 / 01 / 8 / 0143 Fax (230) 212 9459 / 2113398 E-mail Mobaa@bow.intnet.mu

NYSE

Thursday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 21

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Nippon Puts Its Trust in N.Y. Bank

Bankers Trust to Run Overseas Operations

Compiled by Our Staff From Dispatches

TOKYO — Nippon Credit Bank Ltd., struggling with massive bad debts, said Thursday it had reached an agreement that would allow Bankers Trust New York Corp. to take over its overseas operations.

The Japanese bank currently has five branches and seven representative offices abroad. The tie-up with Bankers Trust will allow Nippon Credit to continue providing international services through Bankers Trust's global network, the companies said.

The agreement also calls for Bankers Trust to help Nippon Credit write off some of its 1.26 trillion yen ($9.96 billion) in defaulted real-estate loans by converting them into securities for sale to investors. The banks also are discussing a limited stock swap.

A link between a Japanese and foreign bank is unusual. The Bankers Trust move could signal growing foreign interest in Japan's financial sector, which is set to undergo a big shakeup in coming years as regulations are rolled back.

The deal sent Nippon Credit's shares soaring in Tokyo to close at 190 yen, up 22. But analysts said Nippon's deal with Bankers Trust would not solve problems at the debt-plagued Japanese lender.

"I can't say that this changes my mind about banks," said Masahiko Takai, executive managing director at Cosmo Investment Trust Management Co. "Banks like Nippon Credit still face huge write-offs, and putting that reckoning off only makes things worse."

The alliance is the latest in a series of inventive measures taken by Japan's lenders to deal with the more than 30 trillion yen in defaulted property loans.

Analysts said the agreement failed to address the basic problem plaguing Nippon Credit and other Japanese banks: their difficulty in finding the cash to write off the bad loans.

Nippon Credit said Wednesday its net assets fell to 53.44 yen per share as of March 31 from 216.16 yen six months earlier because of bad-loan write-offs.

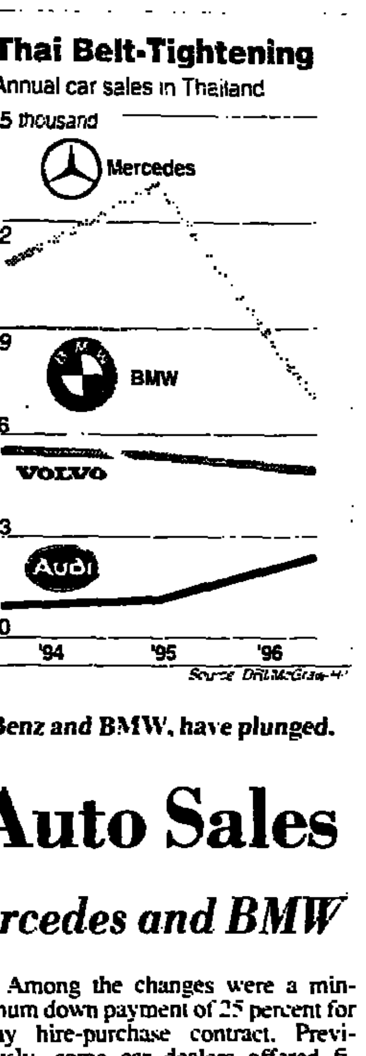
Analysts said Nippon Credit, the smallest of Japan's three credit banks, still had to absorb significant losses if it were to package the new securities at a price attractive to investors.

Investors also may reject the new securities, no matter how cheap, analysts said. After Bank of Tokyo-Mitsubishi and Fuji Bank Ltd. packaged some of their bad loans into securities for sale in Japan in August, the sales did little to allay their losses, because most of the bad loans are not being paid at all.

But Bankers Trust has been particularly successful at previous securitizations for other financial institutions, including some transactions for Paris-based Credit Lyonnais, which was forced to restructure part of its balance sheet.

(AP, Bloomberg, Bridge News)

Sipa Press



As Thai growth slows, sales of luxury cars, such as Germany's Mercedes-Benz and BMW, have plunged.

Hard Times Dent Thai Auto Sales

Glum Outlook for Once-Freewheeling Mercedes and BMW

By Michael Richardson
International Herald Tribune

BANGKOK — Motor vehicle sales, once an index of the supercharged economic growth and rising affluence in Thailand, have recently become a barometer of harder times and heavy losses in the property and stock markets.

All but the cheapest models are victims of Thailand's economic slowdown and financial troubles, with dealers and analysts predicting a sharp fall in vehicle sales in 1997, especially in luxury sedans and pickup trucks.

From 1986 to 1995, when the economy was one of the fastest growing in the world, auto sales here boomed.

They increased by more than 600 percent as Thais bought so many cars and pickup trucks that roads in Bangkok became jammed for much of the day and often late into the night.

The big winners of the boom, especially those who made money in the property and stock markets, bought up such luxury sedans as Mercedes-Benzes, BMWs and Volvos.

Sales of Mercedes, made by Daimler-Benz AG, leapt from 5,000 a year in 1992 to 14,100 in 1995, when Thailand became the world's eighth-largest market for the German automaker.

But as a glut of unsold properties developed in 1996 and investors became nervous about possible loan defaults, the stock exchange plunged 35 percent in value. The fall continued this year amid increasing concerns about the health of the country's 15 banks and 91 finance companies. Many have large property loans outstanding.

The finance companies have an additional burden — rising defaults on motor vehicle loans.

"Most Thais buy stock on margin and cars on credit," said Nimit Wongjariyakul, senior vice president of Thaimex Finance & Securities PLC. "With the market crashing, people are simply trying to pay off their brokers. They certainly don't have the money for a car."

Mercedes sales plunged 45 per cent in 1996 and a further hefty fall in 1997 is expected. The outlook for other luxury makes is also grim.

The total number of vehicles sold in February in Thailand dropped 22 percent, to 38,719 units from 49,503 a year earlier, according to the country's dominant auto company, Toyota Motor group, which compiles a monthly industry report. March figures won't be out until late this month.

Mercedes sales in February plummeted 51 percent. Cost was clearly the main reason. The cheapest Mercedes model in Thailand, the C180, sells for 1.4 million baht ($53,640).

"Finance companies are toughening up on new car loans due to their liquidity problems," said Surapong Phasitpatnapong, a spokesman for the Thai Automotive Industry Association. "If the situation continues this way, there is a high possibility that the number of car sales this year will not reach 600,000 units."

Other analysts expect the total to fall well short of this mark for 1997. Some dealers say that the industry will be lucky to sell 550,000 cars this year.

On top of the stock market slump, the economy is slowing and interest rates are likely to remain high.

In 1996, new vehicle sales rose by a modest 3.1 per cent, to 590,000. A year earlier, the increase was 17 per cent.

Tighter controls on car financing, introduced in January 1996, have squeezed sales. The new rules were designed to strengthen the balance sheets of finance companies.

Among the changes were a minimum down payment of 25 percent for any hire-purchase contract. Previously, some car dealers offered financing without a down payment. The central bank also shortened the financing contract limit to four years, from five years.

But it is not just the new car market that is suffering as Thailand's economy falters: the used-car market is slumping as demand declines and more vehicles, repossessed by finance companies because their owners defaulted on their payments, are put up for sale.

Dealers say the market is now flooded with used cars. Prices are falling, even for once-coveted Mercedes. A year-old Mercedes E280 that would have brought 1.9 million baht a year ago now fetches just 1.5 million baht, according to dealers.

In the new car market, "the hardest hit segments are at either end of the spectrum," Jiradech Sompoprungroch, Toyota Motors deputy managing director, told Bloomberg News. "People aren't buying luxury cars, and there's less demand for commercial vehicles."

Unlike most markets, demand for pickup trucks in Thailand normally exceeds demand for cars. In 1996, pickups made up 56 percent of all new vehicle sales. Thailand is the world's second-largest market for pickup trucks, after the United States.

The least expensive autos have become the flavor of the month for those Thai consumers who are still buying cars. In February, Toyota captured the biggest market share — 34 percent of all vehicles sold in Thailand. It was helped by its Soluna budget car, introduced in January. The Soluna retails at about 450,000 baht and some dealers say they have a backlog of orders.

2 Automakers Issue Glowing Reports

Earnings Help VW Shares Set a Record

Compiled by Our Staff From Dispatches

WOLFSBURG, Germany — Volkswagen AG shares surged 8.6 percent to a record Thursday after Europe's largest automaker said earnings per share more than doubled last year, helped by cost-cutting and growing sales.

Earnings climbed to 55 Deutsche marks ($31.87) a share in 1996 from 22 DM the previous year. The figure, much higher than analysts had expected, came after Volkswagen last month said net profit more than doubled to 678 million DM in 1996.

The per-share number confirms that VW kept a lid on costs even after packing its models with more options and ratcheting up advertising to steal market share from rivals such as Ford Motor Co. and Renault, which are both posting losses in Western Europe.

"It's been evident for a number of quarters that the underlying operating environment, always difficult to define at Volkswagen, has improved and contrasts sharply with the situation at Renault and Ford," Colin Whitbread, an independent auto analyst in London, said.

Volkswagen shares surged 81 DM to a record close of 1,026 in Frankfurt. They have climbed 68 percent so far this year, while the DAX index of German blue-chip stocks has risen 18 percent.

"We expect our 1997 earnings to outpace sales growth," the automaker's chief financial officer, Bruno Adelt, said at its annual news conference.

The automaker, which last year raised its European market share by 0.4 percentage point, to 17.2 percent, said first-quarter deliveries rose 9.5 percent, to 1.03 million vehicles.

Double-digit gains in overseas markets such as the United States and South America offset sluggish growth in Europe.

Without disclosing an exact figure, the company said its first-quarter profit was "better than last year."

Volkswagen is benefiting from a popular model line, led by its flagship Golf hatchback, and a cost-cutting strategy that has allowed it to lead a price war by packing its cars with more options without changing the price.

VW said its 1996 results had been aided by about 600 million DM in gains from currency-rate movements and that the weakening of the mark against the dollar, lira and pound in late 1996 had reduced the cost of vehicles sold abroad.

It said it expected exports to help the German economy in 1997 but predicted the economy would show only limited growth overall and little improvement in unemployment, which may act as a damper on domestic sales.

(Reuters, Bloomberg)

Truck Sales Lift Profit At Chrysler

Compiled by Our Staff From Dispatches

AUBURN HILLS, Michigan — Chrysler Corp. said Thursday that it earned a record $1.03 billion in the first quarter as it continued to benefit from sales of its profitable light trucks.

The announcement came hours after workers at a Chrysler plant that supplies light-truck engines walked off the job, threatening to curtail production of the automaker's best-selling vehicles.

Though Chrysler's American sales were down 2 percent in the first quarter, it still had strong profit margins.

Pickup trucks, sport utility vehicles and minivans account for a higher percentage of sales at Chrysler than at its major competitors, General Motors Corp. and Ford Motor Co. Chrysler's revenue reached $16.1 billion in the quarter, compared with $15 billion a year earlier.

Meanwhile, about 1,800 workers at Chrysler's Mound Road engine plant went on strike early Thursday to protest outsourcing, or using external, usually nonunion, sources for parts or labor. Negotiations aimed at ending the strike and reaching agreement on a new local contract were to resume during the day, a Chrysler spokesman said.

Most of the engines built at Mound Road are used in Chrysler's Dodge Ram and Dakota pickup trucks. One of the engines, the 5.2-liter V8, also is a popular option in the Jeep Grand Cherokee sport utility vehicle.

A prolonged strike would force Chrysler to shut down production at the nearby Dodge City assembly plant, which produces the Ram and Dakota.

The spokesman declined to speculate on how long it would take for engine shortages to start appearing.

Union officials at the plant said the dispute centered on Chrysler's plans to shift production of driveshafts from the plant to outside suppliers, a move that would eliminate as many as 300 jobs from the factory's payroll.

The strike came hours after Chrysler announced plans for new investment totaling $1.3 billion in six Detroit manufacturing plants. The investment plans did not include the Mound Road engine plant. Chrysler previously planned to close the plant after it launched production of a new generation of engines next year at the Mack Avenue engine plant in Detroit. That plant is undergoing a $900 million renovation, which includes new investments of $150 million announced Wednesday.

Separately, a strike at General Motors Corp.'s Oklahoma City car-assembly plant entered its sixth day with union and company negotiators still said to be far apart in the dispute over staffing levels at the plant.

(AP, Reuters)

For U.S. and Japan, Markets Are Out of Sync

By Floyd Norris
New York Times Service

NEW YORK — From the viewpoint of a dollar-based investor, the Japanese stock market has plunged to a four-year low.

The Nikkei index of 225 issues, Japan's most prominent index, fell 217.62 points, or 1.2 percent, to 17,485.75, on Thursday. The dollar, meanwhile, soared to its highest gains against the yen in more than four years Wednesday.

Put the two together, and the dollar investor in Japanese stocks is looking at the lowest level since the summer of 1992. If prices keep falling — or the dollar continues to rise — the Japanese market will soon be at its lowest level, relatively speaking, since 1986, when Japan's bubble economy was still growing.

In Japan, the stock market situation does not look quite so bleak, with the Nikkei still 21 percent above its 1995 low of 14,507.17. But during the same period, the dollar has turned from weak sister to neighborhood bully.

The result is that the plunging yen

WALL STREET WATCH

has left the Nikkei, measured in dollars, down 19 percent for that period. Any American investor who bought Japanese stocks then and did not hedge the currency risk would find that he or she now has more yen than was originally invested but that those yen are worth fewer dollars.

From its peak at the end of 1989, the Nikkei is down 55 percent in yen and 48 percent in dollars. While the dollar has recovered sharply from its low of about 80 yen two years ago, it remains well below the levels that prevailed in earlier years. When the Japanese stock market was peaking, the dollar was worth about 144 yen; now it is worth almost 127 yen.

The weakness in Japanese stocks has come as the U.S. market has been soaring, until its recent stumble. The United States and Japan have the two largest stock markets in the world, and two of the most successful economies. But rarely have two countries' markets been more out of sync.

"With as much exuberance as there is here, there is depression there," said Charles Clough, the chief strategist of Merrill Lynch & Co. "The psychology is totally different. We are at the top of an earnings cycle. They are at the bottom."

Mr. Clough said he thought it likely that Japanese stocks would be a better investment during the next year than American ones, arguing that the Japanese economy was improving and that the stocks of nonfinancial companies, mainly those of major exporters whose businesses were benefiting from a weakening yen, were already moving up.

The argument that American stocks are expensive, and Japanese stocks cheaper, is harder to make if one looks at price-earnings ratios. Bulls on Japan, though, contend that Japanese earnings are understated and that cash flows look much better than earnings. One factor that is now drawing money out of Japan and into the United States is the sharp difference in interest rates. A 10-year Japanese government bond now yields 2.21 percent, compared with 6.89 percent for a similar U.S. Treasury bond. Japan's interest rates have fallen to help bail out the country's banks.

CURRENCY & INTEREST RATES

Cross Rates

April 10

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9325	3.386	1.1240	0.3342	0.1138*	—	5.461*	1.3135	1.5305*	1.3895	1.322*
Brussels	35.49	57.62	20.6325	6.1285	2.0905*	18.348	—	24.06	0.2814	25.58	24.43*
Frankfurt	1.7158	2.7868	—	0.2972	0.1013*	0.8893	4.8474*	1.1666	1.3643*	1.2325	1.1837*
London (a)	1.6241	—	2.7884	9.3853	27.5967	3.1367	57.55	2.3855	204.8334	2.2595	235.4845
Madrid	144.868	234.86	84.471	25.102	8.557*	75.116	4.0943	98.637	115.176*	104.087	—
Milan	1,636.40	2,753.35	987.75	293.30	—	878.60	47.80	1,151.45	13.47	1,218.05	11.79
New York (b)	—	1.623a	1.7194	5.7885	1,697.00	1.9325	35.44	1.4885	125.85	1.3937	144.94
Paris	5.7711	9.356	3.3651	—	0.3409*	2.9924	0.1631	3.9294	4.5883*	4.1465	3.983*
Tokyo	126.90	205.86	73.58	21.87	0.0746	65.44	3.5666	85.98	—	91.26	0.8722
Toronto	1.3935	2.2623	0.8111	0.2411	0.0820*	0.7208	0.3933*	0.9486	1.1075*	—	0.961*
Zurich	1.4677	2.3805	0.8554	0.2541	0.0865*	0.7607	4.1464*	—	1.1663*	1.0551	1.0032*
1 ECU	1.1422	0.7046	1.9509	6.592	1,933.72	2.2029	40.4152	1.6774	143.671	1.5898	165.499
1 SDR	1.3693	0.8433	N.Q.	7.9823	2,318.80	2.6408	48.4896	2.0135	173.693	1.9089	198.385

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Libid-Libor Rates

April 10

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 11/16	3 1/8 - 3 1/4	1 11/16 - 1 13/16	5 7/8 - 6 1/8	3 5/16 - 3 7/16	7/16 - 9/16	4 1/8 - 4 1/4
3-month	5 13/16 - 5 15/16	3 3/16 - 3 5/16	1 7/8 - 2	6 1/4 - 6 1/2	3 5/16 - 3 7/16	7/16 - 9/16	4 1/8 - 4 1/4
6-month	5 7/8 - 6	3 1/4 - 3 3/8	1 7/8 - 2	6 11/16 - 6 13/16	3 3/8 - 3 1/2	1/2 - 5/8	4 1/8 - 4 1/4
1-year	6 1/4 - 6 3/8	3 7/16 - 3 9/16	1 15/16 - 2 1/16	7 1/16 - 7 3/16	3 9/16 - 3 11/16	5/8 - 3/4	4 1/8 - 4 1/4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 7/16	5 7/16
90-day CDs dealers	5.70	5.71
180-day CP dealers	5.66	5.66
3 month Treasury bill	5.15	5.10
1-year Treasury bill	5.65	5.63
2-year Treasury bill	6.43	6.41
5-year Treasury note	6.78	6.75
7-year Treasury note	6.83	6.81
10-year Treasury note	6.91	6.89
30-year Treasury bond	7.11	7.10
Merrill Lynch 30-day RA	4.90	4.90
Japan		
Discount rate	0.50	0.50
Call money	0.38	0.38
1-month interbank	0.56	0.56
3-month interbank	0.59	0.59
6-month interbank	0.66	0.66
10-year Gov't bond	2.21	2.19
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.15
1-month interbank	3.25	3.25
3-month interbank	3.27	3.27
6-month interbank	3.28	3.28
10-year Bond	5.72	5.78

Britain		
Bank base rate	6.00	6.00
Call money	6.00	6 1/16
1-month interbank	6 1/8	6 1/8
3-month interbank	6 1/4	6 1/4
6-month interbank	6 7/16	6 1/2
10-year Gilt	7.62	7.58
France		
Intervention rate	3.10	3.10
Call money	3 1/16	3 1/8
1-month interbank	3 1/16	3 3/16
3-month interbank	3 1/4	3 1/4
6-month interbank	3 1/4	3 1/4
10-year OAT	5.80	5.77

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	348.35	347.50	Unch.
London	348.05	347.60	—0.20
New York	350.50	350.90	+0.50

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June.)
Source: Reuters.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	269.50	Mex. peso	7.878	S. Afr. rand	4.458
Australian $	1.2829	Hong Kong $	7.7487	N. Zealand $	1.444	S. Kor. won	892.60
Austrian sch.	12.143	Hung. forint	179.74	Norw. krone	6.9505	Swed. krona	7.6879
Brazil real	1.0584	Indian rupee	35.84	Phil. peso	26.35	Taiwan $	27.57
Chinese yuan	8.3265	Indo. rupiah	2405.50	Polish zloty	3.11	Thai baht	26.11
Czech koruna	29.45	Irish £	0.6461	Port. escudo	171.75	Turkish lira	130475.
Danish krone	6.535	Israeli shek.	3.401	Russ ruble	5732.50	UAE dirham	3.6705
Egypt. pound	3.3962	Kuw. dinar	0.3038	Saudi riyal	3.75	Venez. boliv.	477.00
Fin. markka	5.1516	Malay. ring.	2.5033	Sing. $	1.438		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6188	1.6180	1.6172	Japanese yen	125.49	124.98	124.49
Canadian dollar	1.3885	1.3860	1.3836	Swiss franc	1.4673	1.4630	1.4584
Deutsche mark	1.7144	1.7113	1.7077				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo);

Seoul in Jet Deal With Europeans

Agence France-Presse

SEOUL — South Korea announced a $1.2 billion deal Thursday with the European aircraft consortium AIR to build midsized passenger jets, a move that is expected to heat up competition in Asia.

"The two parties have agreed on the blueprint for the passenger-jet project," the trade ministry said.

The heads of AIR, or Aero International (Regional), and a consortium led by Samsung Aerospace Industries Ltd. will sign a memorandum of understanding on the co-development of the 70-seat jets Friday, the ministry said.

AIR is equally owned by British Aerospace PLC, Aerospatiale of France and Alenia SpA of Italy.

The deal is part of South Korea's plan to catapult its aerospace industry into the top 10 in the world by 2015.

BANCA COMMERCIALE ITALIANA

A Joint Stock Company with Registered Office at n. Piazza della Scala, Milan, Italy · Register of Companies of Milan No. 2774 · Court of Milan · Share Capital Lit. [illegible] · Legal Reserve Lit. [illegible] · Bank entered in the register of banks and parent of the Banca Commerciale Italiana Group entered in the Register of Banking Groups

Holders of ordinary shares of Banca Commerciale Italiana are hereby called to attend an **Ordinary General Meeting** to be held at 1, Piazza Belgioioso, Milan, at 10 a.m. on 24th April 1997, or, if necessary, at second call, at the same place and time on 28th April 1997 in order to *discuss and vote upon the following*

AGENDA

Ordinary General Meeting

1) Reports by the Board of Directors and by the Statutory Auditors; submission of the Accounts for the year ending December 31, 1996 and resolutions thereon.
2) Determination of the number of the Directors.
3) Appointment of the Board of Directors.
4) Determination of the global emoluments of the Board of Directors and of the Executive Committee.
5) Appointment of the Board of Statutory Auditors and of its Chairman.
6) Determination of the emoluments of the Statutory Auditors.
7) Appointment of Arthur Andersen S.p.A. to audit half-year report and accounts for the period ending June 30, 1997 in compliance with Consob Communication No. 97001574 dated February 20, 1997.

Even though already registered in the Register of Shareholders, holders of shares carrying voting rights - in order to attend the Meeting - must deposit their shares at least five days before the date of the General Meeting at the Bank's counters or at "Monte Titoli S.p.A.", in compliance with the provisions of Article 4 of Law No. 1745 of December 29, 1962.

Shareholders are reminded that they can be represented at the Meeting, within the limits of Article 2372 of the Italian Civil Code, by means of a proxy in writing with the signature duly authenticated by a member of the Board of Directors, an executive or officer of the Bank, a notary public or any consular authorities, or an Italian or foreign bank.

Alternatively, shareholders may exercise their voting rights by mail, in accordance with the regulations jointly issued by Banca d'Italia, Consob and Isvap on December 30, 1994 and published in the Gazzetta Ufficiale (Official Gazette) No. 4 of January 5, 1995 (general series). Shareholders who wish to cast a postal vote have to submit a request, in good time, to the Bank or to "Monte Titoli S.p.A." - when they deposit their shares or when they require the relevant certification - for the issue of the postal voting form and of the admission ticket.

Both the request to the Company to make use of postal vote and the mailing of the postal voting form and of the admission ticket have to be addressed to: Banca Commerciale Italiana - Segreteria del Consiglio - Ufficio Azionisti, Piazza della Scala n. 6, 20121 Milano.

Copies of proposed resolutions, together with an explanatory report, are available at the registered office of the Bank, at all branches of the Bank in Italy, and at "Monte Titoli S.p.A.", as mentioned above. Copies will, moreover, be mailed to holders of shares carrying voting rights who request to vote by mail in the manner described above.

The remaining documentation concerning the Ordinary General Meeting will be deposited according to the established terms.

The envelopes including the voting forms and the admission tickets have to be sent to Banca Commerciale Italiana - Segreteria del Consiglio - Ufficio Azionisti, Piazza della Scala n. 6, 20121 Milano by April 21, 1997. The voting forms received after the term foreseen, or not accompanied with the admission ticket, will not be taken in consideration in determining the regular constitution of the meeting, nor for voting purposes; voting forms lacking signatures will not be taken into consideration for voting purposes.

Voting by mail is not compatible with voting by proxy and therefore the vote must be exercised directly by the shareholder.

**For the Board of Directors
The Chairman Lionello Adler**

THE AMERICAS

Investor's America

The Dow | 30-Year T-Bond Yield | Dollar in Deutsche marks | Dollar in Yen

Exchange	Index	Thursday 4PM	Prev. Close	% Change
NYSE	The Dow	6540.05	6563.84	-0.36
NYSE	S&P 500	758.33	760.57	-0.29
NYSE	S&P 100	736.41	739.80	-0.46
NYSE	Composite	399.36	400.29	-0.23
U.S.	Nasdaq Composite	1235.75	1249.41	-1.09
AMEX	Market Value	563.09	562.96	+0.02
Toronto	TSE Index	5794.90	5794.10	+0.01
São Paulo	Bovespa	9778.34	9819.12	-0.42
Mexico City	Bolsa	3785.35	3794.56	-0.24
Buenos Aires	Merval	700.49	714.01	-1.89
Santiago	IPSA General	5404.97	5362.20	+0.80
Caracas	Capital General	6249.42	6244.56	+0.08

Source: Bloomberg, Reuters International Herald Tribune

For Seafood, U.S. Looks Abroad

The Associated Press

BOSTON — Even in restaurants here, the cradle of the American fishing industry, the catch of the day is more likely to be shrimp from Thailand or scallops from China than seafood from local waters.

Last year, for the 26th consecutive year, the United States imported twice as much seafood as it exported. The deficit reached $3.7 billion, the largest in a decade.

The reason is that domestic fishermen cannot catch enough of the species Americans like to eat, and not all the fish they do catch have caught on with consumers.

"It's really shocking how much we import," James Anderson, editor of Seafood Market Analyst, said Wednesday. "By anybody's measure, more than half of what we eat is imported, easily."

In its 1996 Year in Review, Seafood Market Analyst, a trade magazine, said America imported $6.6 billion in seafood, most of it from Canada, Thailand, Ecuador, Mexico, China and Chile. Although that was down 1 percent from 1995, it almost equaled the combined value of imported fruits and coffee.

Imports of shrimp, mostly from Thailand, Ecuador and Mexico, led the way, at $2.5 billion. At the same time, U.S. seafood exports last year totaled $2.9 billion, an 8 percent decrease from 1995. Most of the exports went to Japan, Canada and Korea.

The leading exported fish was salmon, at $620 million, with Japan accounting for 47 percent of export sales.

The United States ranks second in the world in seafood imports and exports. The seafood industry also is among the top five contributors to the U.S. trade deficit, Mr. Anderson said.

Patrick McDonnell/The Associated Press
Guatemalan snapper on display in Boston.

"It's that we don't have enough fish that American consumers like or we haven't developed enough markets for American fish," said Mr. Anderson, who is also a professor at the University of Rhode Island. "If Americans ate a lot of the things we were exporting, that could have stayed here."

That is a touchy topic in New England, where dwindling stocks and increasing regulations are grounding fishermen.

"There are always shortages in this industry," said Stacy Caralis, executive chef and fish buyer for Jimmy's Harborside Restaurant on Boston's Fish Pier. "The seafood industry is seasonal. Everything migrates, so there's always shortages."

Wall Street Waits For Inflation Data

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Thursday as investors braced for inflation data due Friday that could prompt the Federal Reserve Board to raise interest rates again.

The Dow Jones industrial average closed down 23.79 points at 6,540.05, while declining issues outnumbered advancing ones by a 7-to-5 ratio on the New York Stock Exchange.

The Standard & Poor's 500-share index closed down 2.27 points at 758.33.

"Investors are searching for something to sink their teeth into," said Charles Crane, market strategist at Key Asset Management. "With one-year Treasury bonds offering more than 6 percent risk-free, a lot of investors are saying the return on stocks is not sufficiently high to compensate for the extra risk."

The price of the benchmark 30-year bond finished steady at 94 4/32, with the yield at 7.10 percent.

The government will report retail sales and producer prices for March on Friday. The data could show increased inflation that might prompt central bankers to raise interest rates in May. The Federal Reserve Board raised its target rate for federal funds March 25, the first such increase in two years.

"The inflation aspect may be favorable, but retail sales continue to show strength, and that's a concern," said Scott Graham, co-head of government bond trading at Prudential Securities Inc.

But many chain stores, which released their sales figures for March on Thursday, said sales were slowing because consumers were reluctant to pay full prices after two months of post-Christmas clearance sales.

That sent some shares falling, including Wal-Mart, which lost 3/8 to 28¼, and J.C. Penney, which fell 7/8 to 45⅛.

"Shoppers seem to be willing to respond to strong price incentives, but absent a good sale, they are holding back," Kurt Barnard of Barnard's Retail Marketing Report said.

Technology shares were weak, with Intel dropping 5 to 137¼ on expectations for it to aggressively cut prices on its microprocessors at the end of the month.

Informix was the most actively traded U.S. issue, falling ¼ to 7 5/16 after Merrill Lynch cut its intermediate term and long-term ratings on the database software company.

PairGain Technologies dropped 4⅛ to 25¾ after the telecommunications products maker's earnings failed to exceed expectations as in previous quarters and the company's accounts receivable rose.

Altera fell 2¼ to 47 after the maker of programmable logic chips was lowered to "hold" from "buy" by an analyst at Fahnestock & Co.

Microsoft fell 1¼ to 96¾ after the company said an upgrade of its popular Windows 95 software may not be released until early 1998.

Safeway dropped 4¼ to 43¾ after the supermarket retailer said it had lower first-quarter gross profit and that it feared a strike at Canadian stores may hurt earnings.

Merck rose 2 to 83½ after an analyst at NatWest Securities Ltd. predicted the drugmaker's shares would rise to 100 in six months.

(Bloomberg, AP)

TCI Scraps Spin-Off

The Associated Press

NEW YORK — Tele-Communications Inc., the largest U.S. cable company, has scrapped plans to split itself up after the Internal Revenue Service declined to make the transaction tax-free.

The company said in December that it would spin off its Liberty Media unit and its international businesses as part of an effort to stem losses, reduce a heavy debt load and lift the company's sagging stock price. In late trading Thursday, TCI shares were $11.125 apiece, down 25 cents.

Very briefly:

Compaq to Purchase Networker

HOUSTON (Bloomberg) — Compaq Computer Corp. agreed Thursday to buy Microcom Inc., a maker of devices used to link personal computers to networks via phone lines, for $280 million, or $16.25 a share.

The cash offer was 55 percent more than Microcom's closing price Wednesday of $10.50 a share and a 44 percent premium to the company's three-month average closing price of $11.30. The stock rose $5.625 to $15.875 on Thursday.

Compaq said Microcom was a top manufacturer of remote access servers, or computers designed to funnel many personal-computer users calling in by telephone to a larger computer network. Compaq has been making acquisitions to broaden its product line beyond PCs and servers to compete with larger rivals such as International Business Machines Corp.

- **J.P. Morgan & Co.**'s first-quarter earnings fell to $424 million from $439 million a year earlier as securities trading, its biggest source of revenue, suffered amid the decline of U.S. stocks and bonds in March.
- **U.S. Airways Group Inc.** said it would not be able to buy the 400 planes it planned to receive from **Airbus Industrie** unless the airline reached an agreement with its pilots by Sept. 30 to cut costs.
- **Lucent Technologies Inc.**, the former equipment arm of **AT&T Corp.**, said **Bell Atlantic Corp.** had agreed to buy as much as $1 billion of phone equipment over five years as part of a lawsuit settlement.
- **Telefonos de Mexico SA** signed an agreement with its 50,000-member union for a 19 percent salary increase.
- **Sears, Roebuck & Co.** will repay bankrupt customers who had been pressured to continue paying off their Sears credit cards even though their debts had been wiped out. Sears said the payments would affect 1997 earnings.

Bloomberg, Reuters, AP

Dollar Falls on Talk of Japanese Intervention

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against the yen Thursday on reports that Japan's Finance Ministry and central bank were planning to intervene to stop the U.S. currency's recent rally.

The dollar reached a 55-month high against the yen Wednesday, and Japanese authorities believe the yen's slide has gone far enough, according to a report carried by the Nikkei news service. The report said authorities feared the yen's continued depreciation would increase Japan's trade surplus and could create trade tensions with the United States.

The dollar fell to 125.850 yen in 4 P.M. trading from 126.805 yen Wednesday.

The news report followed comments from other Japanese officials suggesting the dollar had risen too far. Japan's deputy finance minister, Tadashi Ogawa, said current foreign-exchange levels were excessive and that Japan would be "resolute" in correcting them.

FOREIGN EXCHANGE

Eisuke Sakakibara, director of the ministry's International Finance Bureau, echoed the view and added that Japan was talking with other members of the Group of Seven leading industrial nations on the matter. Japanese officials fear that a continued slide in the yen could undermine global confidence in Japanese assets.

U.S. Treasury Secretary Robert Rubin, meanwhile, said the United States would be watching closely to see how well Japan followed through on its pledge to get its weak economy back on its feet without an export-led surge that could revive trade tensions. But he suggested the United States would not necessarily be a part of any currency-market interventions led by Japan to lift the value of the yen.

The dollar also fell to 1.7194 Deutsche marks from 1.7255 DM, to 5.7805 French francs from 5.8045 francs and to 1.4685 Swiss francs from 1.4790 francs. The pound rose to $1.6230 from $1.6200. *(Bridge News, Bloomberg)*

World Trade Seen Surpassing 1996 Rise of 4%

Compiled by Our Staff From Dispatches

GENEVA — World trade is expected to pick up this year, after growing a disappointing 4 percent in 1996 amid sluggish exports and imports in Asia and a recession in Europe, the World Trade Organization said Thursday.

In all, $5.1 trillion worth of merchandise goods and $1.2 trillion worth of services were sold on international markets last year, the WTO said.

The United States remained the biggest global exporter and importer of goods. Its foreign sales totaled $624.8 billion and purchases from abroad were calculated at $817.8 billion.

Germany and Japan were in second and third place.

The WTO did not give a prediction for the growth of world trade this year, but the organization said that the increase would be "led by a stronger performance in Western Europe and an expansion of imports into Latin America and developing Asia."

The prediction of new growth this year is based mostly on the latest findings from the Organization for Economic Cooperation and Development, in Paris.

The WTO also predicted that many members of the OECD, which comprises 29 of the world's richest democracies, should see their gross domestic product grow in 1997 at the same rate as last year — if Western Europe enjoys an economic recovery.

It added that in China and the group of "six East Asian traders," where GDP growth rates are two to three times faster than in the OECD area, "growth is predicted to pick up marginally."

(AP, AFP)

AMEX

Thursday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6569.88	6593.30	6535.14	6540.05	-23.79
Trans	2428.90	2438.15	2427.97	2428.90	-3.39
Util	213.74	216.25	213.60	215.83	+1.75
Comp	2070.50	2079.78	2065.61	2066.92	-3.58

Standard & Poors

	High	Low	Previous Close	Today 4:00
Industrials	901.50	889.83	891.66	888.00
Transp.	557.85	552.12	554.95	555.91
Utilities	186.56	185.25	185.57	186.96
Finance	88.27	86.53	86.63	86.10
SP 500	769.53	759.15	760.60	758.33
SP 100	748.55	738.45	739.82	736.41

NYSE

	High	Low	Last	Chg.
Composite	401.56	399.05	399.36	-0.93
Industrials	505.80	502.35	502.78	-1.49
Transp.	365.92	363.87	364.20	-0.11
Utility	255.41	253.09	254.66	+1.31
Finance	367.79	365.36	365.81	-1.51

Nasdaq

	High	Low	Last	Chg.
Composite	1244.82	1236.36	1240.67	-8.76
Industrials	1027.95	1022.59	1024.52	-4.86
Banks	1373.78	1369.78	1373.78	-0.13
Insurance	1423.16	1418.16	1421.41	-1.49
Finance	1672.59	1668.76	1671.33	-7.16
Transp.	875.34	870.22	870.22	-0.15

AMEX

High	Low	Last	Chg.
563.55	562.63	563.18	+0.20

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	101.45	101.70
10 Utilities	98.23	98.38
10 Industrials	104.68	105.02

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
CathCA s	69377	32	30⅞	31¼	+½
Sears	63191	50	47⅞	47⅞	-3⅛
Safeway	54900	47¼	43¾	43¾	-4¼
Merck	51593	84	82⅞	83½	+2
MicroT	44640	41¾	39⅝	39⅞	-3⅛
PepsiCo s	36671	33⅜	32⅜	33⅛	+⅛
FstData s	36365	34⅝	32⅝	34⅝	+1⅞
Compaq	35005	78⅝	75⅝	75⅞	-2⅜
Seagate s	33458	50⅝	48	48⅞	-⅜
BrMySq s	32393	61⅛	59⅞	60¾	+⅞
OfficDpt	29804	14⅞	14⅛	14⅜	-⅜
K mart	29607	13	12½	12¾	
FordM	28937	33⅝	32⅝	32⅝	-⅜
Chrysler s	27145	30⅞	29⅞	29⅞	-⅞
Alcon	26082	31¾	31	31⅝	

Nasdaq

	Vol.	High	Low	Last	Chg.
Informix	236434	8	7	7⁵⁄₁₆	-¼
Intel	133666	142⅞	137⅛	137¼	-5
PairTch s	132119	28⅝	24⅝	25¾	-4⅛
Microcm	105664	16⅛	15⅜	15⅞	+5⅝
Cisco	95002	54⅜	52⅛	52⅝	-1⅞
Microsft s	84607	97¾	95⅞	96¾	-1¼
Ascend	62586	48⅝	45⅝	46⅛	-1⅜
Altera s	52916	48⅞	46⅝	47	-2¼
WorldCm s	51756	23⅞	23⅛	23⅜	+⅜
PamTch	50622	44⅞	40⅞	42⅞	+1⅛
DellCpt s	49087	77¼	73⅛	74⅛	-3¼
Amgen	39772	58⅝	55⅝	56⅞	-1⅜
ApldMat	38823	53⅝	51⅝	51⅝	-1⅜
MCI	38423	37⅞	37	37⅝	+⅜
Oracle s	37538	38⅞	37⅜	37⅞	-⅞

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	18004	76⁹⁄₁₆	75¾	75⅞	-⅜
IvaxCp	11914	9⅝	8⅞	9⅛	+⅝
Ampex	8737	7⅛	6⅝	6⅝	+⅝
GreyhndL	7942	4⅛	3⅞	4⅛	-⅛
IGI	7568	4⅝	4⅜	4⅜	-⅛
PacGate	5431	5⅞	5⅜	5¼	-¼
IvxDPd	3959	5⅞	5	5⅝	+⅝
TabMex	3922	17⅛	17	17	-⅛
Harken	3625	4⅝	4⅜	4⅝	-⅛
HollerM n	3500	15⅝	15⅝	15⅝	

Trading Activity

NYSE

	Close	Prev.
Advanced	1116	1277
Declined	1343	1244
Unchanged	846	818
Total issues	3305	3339
New Highs	38	51
New Lows	46	39

Nasdaq

	Noon	Prev.
Advanced	1449	2040
Declined	1804	1958
Unchanged	2475	1754
Total issues	5748	5752
New Highs	56	64
New Lows	124	134

AMEX

	Close	Prev.
Advanced	229	269
Declined	277	241
Unchanged	195	214
Total issues	701	724
New Highs	8	10
New Lows	21	17

Market Sales

	Today 4:00	Prev. cons.
NYSE	425.02	556.48
Amex	17.08	24.58
Nasdaq	485.99	564.04

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
AB AB B	-	2.28	4-18	4-25
BP Prudhoe	-	.5512	4-15	4-18
Excelsior Inco	-	.28	4-18	4-25
Volvo,AB B	-	.5606	4-28	5-15
STOCK SPLIT				
Paychex Inc 3 for 2 split.				
INCREASED				
Ford Motor Co	Q	.42	5-2	6-2
Tanger Factory	Q	.55	4-25	5-15
OMITTED				
SPX Corp	-			
INITIAL				
PlastiLine Inc	-	.50	4-8	4-21
REGULAR				
AK Steel	Q	.20	4-22	5-15
CA Indep Bncp	Q	.11	4-30	5-16
Citicorp	Q	.525	4-30	5-19
Eaton Vance Corp	Q	.20	4-30	5-12
FCNB Corp	Q	.15	4-18	4-30
FFLC Bncp	Q	.12	4-21	5-5
Grand Premier	Q	.08	4-15	5-1
Heritage USGv	M	.087	4-16	4-24
New Hampshire	Q	.125	4-21	4-28
Paychex Inc	Q	.09	5-1	5-22
Rite Aid	Q	.20	4-21	4-28
WPS Resour	Q	.475	5-30	6-20

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

April 10, 1997

Grains

	High	Low	Latest	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- cents per bushel					
May 97	304½	299¼	303¼	+4½	114,257
Jul 97	306½	308½	305½	+5¼	119,830
Sep 97	294½	290¾	293½	+4	20,153
Dec 97	293	287¼	292¼	+3¼	95,290
Mar 98	297	293¼	295¾	+2¾	9,192
Est. sales N.A. Wed's. sales 77,866					
Wed's open int 364,423 off 3234					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
May 97	285.00	280.00	284.00	+4.40	40,259
Jul 97	282.90	278.50	282.00	+4.20	32,259
Aug 97	275.00	271.80	274.70	+4.50	9,423
Sep 97	257.50	254.00	257.20	+4.90	6,610
Oct 97	231.70	226.00	231.60	—0.40	6,231
Dec 97	223.80	221.50	223.60	+2.70	12,592
Est. sales N.A. Wed's. sales 33,883					
Wed's open int 109,313 off 441					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
May 97	24.40	24.17	24.22	+0.05	32,380
Jul 97	24.77	24.58	24.63	+0.05	33,924
Aug 97	24.98	24.80	24.82	+0.06	8,403
Sep 97	25.07	24.95	24.95	+0.08	5,224
Oct 97	25.10	24.95	25.05	+0.06	5,291
Dec 97	25.45	25.15	25.25		14,441
Est. sales N.A. Wed's. sales 21,436					
Wed's open int 100,157 off 2302					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
May 97	867	848¼	855¼	+7¾	59,506
Jul 97	865	852	860½	+8½	70,853
Aug 97	851	840	847½	+6	10,827
Sep 97	763	756½	759½	+7	6,414
Nov 97	708	701¼	704¼	+3¼	37,542
Est. sales N.A. Wed's. sales 97,093					
Wed's open int 188,719 off 4104					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
May 97	394	386	393	+7½	16,262
Jul 97	399	390	398	+8¼	48,437
Sep 97	402	396	401½	+8¾	8,668
Dec 97	411	405	410½	+9	7,349
Est. sales N.A. Wed's. sales 20,537					
Wed's open int 81,211 up 5990					

Livestock

	High	Low	Latest	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Apr 97	69.30	68.55	69.25	+0.72	12,873
Jun 97	64.65	64.22	64.57	+0.37	26,224
Aug 97	64.48	64.15	64.32	+0.12	24,412
Oct 97	68.17	67.95	68.02	—0.07	15,868
Dec 97	70.12	69.90	70.02	—0.05	7,869
Feb 98	71.00	70.62	70.77	—0.17	4,408
Est. sales 13,070 Wed's. sales 22,477					
Wed's open int 102,322 off 511					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Apr 97	71.60	71.10	71.37	+0.15	2,261
May 97	71.30	70.37	71.15		5,890
Aug 97	74.25	73.45	74.02	+0.05	5,891
Sep 97	74.20	73.65	74.00	—0.05	1,645
Oct 97	74.65	74.30	74.47	—0.12	2,306
Nov 97	76.30	75.97	76.12	+0.02	1,074
Est. sales 3,224 Wed's. sales 4,933					
Wed's open int 19,372 off 819					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Apr 97	74.30	73.50	74.17	+1.22	3,362
Jun 97	82.90	82.25	82.65	+1.02	15,444
Jul 97	82.45	81.85	82.10	+0.77	4,337
Aug 97	79.70	79.00	79.47	+0.70	3,848
Oct 97	73.45	73.00	73.20	+0.30	2,892
Dec 97	71.25	70.80	71.02	+0.41	1,938
Est. sales 10,958 Wed's. sales 8,192					
Wed's open int 31,779 up 342					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
May 97	82.45	81.35	82.35	+1.87	3,497
Jul 97	81.40	80.45	80.97	+0.85	2,357
Aug 97	78.55	77.60	78.25	+1.12	635
Feb 98	73.10	72.30	72.57	+1.02	120
Mar 98			71.40		1
May 98			71.00		2
Est. sales 2,293 Wed's. sales 3,058					
Wed's open int 6,572 up 116					

Food

	High	Low	Latest	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
May 97	1413	1390	1411	+31	15,596
Jul 97	1447	1426	1444	+24	25,948
Sep 97	1468	1450	1466	+21	12,061
Dec 97	1488	1470	1488	+20	13,766
Mar 98	1511	1494	1511	+20	19,319
Est. sales 18,053 Wed's. sales 14,282					
Wed's open int 95,915 off 1702					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
May 97	192.25	185.00	191.05	+1.35	10,870
Jul 97	175.00	170.50	173.80	-0.45	10,770
Sep 97	161.75	158.00	160.85	+2.10	7,257
Dec 97	148.25	145.00	147.00	+0.85	3,867
Est. sales 10,295 Wed's. sales 11,288					
Wed's open int 34,221 up 1183					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
May 97	11.38	11.25	11.37	+0.06	66,980
Jul 97	11.18	11.03	11.17	+0.11	48,959
Oct 97	10.89	10.76	10.88	+0.07	30,396
Mar 98	10.82	10.71	10.80	+0.07	17,775
Est. sales 38,723 Wed's. sales 55,360					
Wed's open int 169,785 up 12987					

Metals

	High	Low	Latest	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
May 97	74.80	74.00	74.00	+0.40	11,839
Jul 97	77.80	76.85	76.85	+0.20	8,905
Sep 97	80.75	79.75	79.75	+0.70	4,687
Nov 97	83.10	82.30	82.30	+0.55	2,041
Est. sales N.A. Wed's. sales 2,636					
Wed's open int 28,892 up 70					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Apr 97	348.50	348.00	348.50	+0.50	495
May 97			349.30	+0.50	2
Jun 97	351.10	350.00	350.90	+0.50	64,319
Aug 97	353.80	352.90	353.60	+0.50	13,377
Oct 97	356.30	355.80	356.30	+0.50	6,040
Dec 97	359.10	358.40	359.10	+0.50	21,779
Feb 98			361.90	+0.50	5,088
Apr 98			364.60	+0.50	3,149
Est. sales N.A. Wed's. sales 11,137					
Wed's open int 148,984 up 625					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Apr 97	109.00	107.65	108.90	—0.10	2,908
May 97	107.90	106.70	107.75	+0.10	20,233
Jun 97	106.90	106.85	106.85	+0.15	1,592
Jul 97	106.00	104.80	105.95	+0.30	9,022
Aug 97			104.95	+0.30	762
Sep 97	103.75	102.95	103.75	+0.20	4,236
Oct 97	103.05	103.05	103.05	—0.05	673
Nov 97			102.25	+0.20	775
Dec 97	101.45	100.80	101.45	+0.20	5,982
Est. sales N.A. Wed's. sales 5,771					
Wed's open int 49,834 off 501					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Apr 97			476.90	+0.90	2
May 97	480.00	476.00	478.20	+0.70	54,469
Jun 97			480.70	+0.70	2
Jul 97	484.50	481.00	483.10	+0.70	25,857
Sep 97	490.00	487.00	487.90	+0.70	3,932
Dec 97	497.00	493.50	495.30	+0.70	5,483
Jan 98			497.90	+0.70	17
Mar 98	504.00	503.10	503.10	+0.70	5,355
Est. sales N.A. Wed's. sales 7,451					
Wed's open int 99,467 up 337					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97	370.50	367.80	369.90	+1.10	84
May 97			368.50		
Jun 97			1487.50		
Jul 97	374.30	370.50	373.40	+0.80	12,733
Oct 97	376.50	374.00	375.60	+0.80	2,256
Jan 98			377.80	+0.80	1,149
Est. sales N.A. Wed's. sales 2,579					
Wed's open int 14,439 off 494					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1553½	1554½	1554½	1555½
Forward	1588.00	1588½	1589.00	1590.00
Copper Cathodes (High Grade)				
Spot	2344.00	2347.00	2357.00	2359.00
Forward	2301.00	2304.00	2308.00	2309.00
Lead				
Spot	643.00	644.00	647.00	649.00
Forward	647.00	648.00	650.00	651.00
Nickel				
Spot	7310.00	7320.00	7350.00	7360.00
Forward	7420.00	7430.00	7460.00	7470.00
Tin				
Spot	5670.00	5680.00	5740.00	5750.00
Forward	5705.00	5710.00	5770.00	5775.00
Zinc (Special High Grade)				
Spot	1230.00	1232.00	1239½	1240½
Forward	1255.00	1257.00	1264½	1265.00

Financial

	High	Low	Close	Chge	OpInt
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Jun 97	94.60	94.59	94.60		6,986
Sep 97	94.30	94.29	94.30		3,333
Dec 97			94.48		847
Est. sales N.A. Wed's. sales 217					
Wed's open int 10,319 up 4					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Jun 97	104-25	104-14	104-19	—03	234,531
Sep 97	104-01	104-00	104-01	—05	990
Dec 97			103-57		10
Est. sales N.A. Wed's. sales 31,984					
Wed's open int 234,521 up 973					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Jun 97	105-25	105-16	105-20	—02	326,172
Sep 97	105-05	105-03	105-05	—02	17,844
Dec 97	104-24	104-24	104-24	—03	1,800
Est. sales N.A. Wed's. sales 70,396					
Wed's open int 345,616 up 4908					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Jun 97	107-17	107-03	107-11		425,435
Sep 97	106-29	106-21	106-29	+01	35,335
Dec 97	106-14	106-13	106-13	—03	6,800
Mar 98			106-06		1,450
Est. sales N.A. Wed's. sales 310,766					
Wed's open int 468,267 off 4913					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Jun97	109-05	108-28	108-29	— 0-07	175,489
Sep97	N.T.	N.T.	108-24	— 0-07	
Est. sales: 35,955. Prev. sales: 50,871					
Prev. open int.: 178,411 off 3,582					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Jun97	100.38	100.02	100.11	— 0.14	257,126
Sep97	99.22	99.11	99.11	— 0.16	6,274
Est. sales: 137,228. Prev. sales: 216,607					
Prev. open int.: 263,400 off 1,210					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Jun 97	128.58	128.24	128.34	— 0.26	159,078
Sep 97	126.90	126.90	126.68	— 0.26	5,162
Dec 97	96.56	96.56	96.34	— 0.26	0
Est. volume: 122,396. Open int.: 164,240 up 19.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Jun97	127.69	127.02	127.13	— 0.62	111,199
Sep97	127.53	127.10	127.18	— 0.64	3,194
Est. sales: 63,277. Prev. sales: 92,434					
Prev. open int.: 114,393 up 1,601					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Apr 97	94.18	94.17	94.18		37,754
May 97	94.11	94.09	94.10		23,044
Jun 97	94.04	94.01	94.02		502,516
Sep 97	93.73	93.70	93.73		396,335
Dec 97	93.43	93.40	93.42		381,046
Mar 98	93.29	93.25	93.28		209,008
Jun 98	93.17	93.14	93.15	—0.02	178,564
Sep 98	93.09	93.06	93.07	—0.02	138,168
Dec 98	92.98	92.96	92.98	—0.02	119,272
Mar 99	92.97	92.96	92.96	—0.01	91,397
Jun 99	92.94	92.92	92.94	—0.01	78,234
Sep 99	92.93	92.89	92.91	—0.01	61,577
Est. sales N.A. Wed's. sales 295,084					
Wed's open int 2,465,707 up 21274					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Jun 97	1.6250	1.6170	1.6222		34,792
Sep 97	1.6220	1.6160	1.6198		858
Dec 97			1.6114		101
Est. sales N.A. Wed's. sales 6,634					
Wed's open int 35,751 off 671					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Jun 97	.7229	.7204	.7207		74,921
Sep 97	.7256	.7240	.7240		4,796
Dec 97	.7286	.7270	.7270		1,156
Mar 98			.7316		772
Est. sales N.A. Wed's. sales 6,424					
Wed's open int 81,777 up 393					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Jun 97	.5866	.5815	.5845		82,357
Sep 97	.5895	.5874	.5882		2,589
Dec 97			.5903		207
Mar 98			.5946		27
Est. sales N.A. Wed's. sales 32,074					
Wed's open int 85,180 up 3893					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Jun 97	.8043	.7936	.8026		78,941
Sep 97	.8150	.8065	.8135		1,290
Dec 97	.8265	.8265	.8265		612
Est. sales N.A. Wed's. sales 15,579					
Wed's open int 80,843 up 7153					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Jun 97	.6871	.6800	.6854		43,454
Sep 97	.6927	.6877	.6920		2,101
Dec 97	.6986	.6986	.6986		377
Est. sales N.A. Wed's. sales 17,166					
Wed's open int 45,982 off 418					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Jun97	93.39	93.35	93.38	+ 0.01	120,200
Sep97	93.13	93.07	93.10	+ 0.02	98,899
Dec97	92.92	92.84	92.88	+ 0.02	71,449
Mar98	92.76	92.68	92.73	+ 0.03	48,931
Jun98	92.64	92.58	92.61	+ 0.02	40,512
Sep98	92.54	92.49	92.52	+ 0.02	26,563
Dec98	92.45	92.40	92.43	+ 0.02	20,976
Mar99	92.39	92.34	92.36	+ 0.01	12,870
Jun99	92.33	92.29	92.30	+ 0.01	9,559
Sep99	92.25	92.24	92.24	+ 0.02	8,272
Dec99	92.22	92.21	92.21	+ 0.02	6,878
Mar00	92.16	92.15	92.15	+ 0.01	7,883
Est. sales: 47,536. Prev. sales: 94,279					
Prev. open int.: 459,183 off 3,839					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Apr97	96.75	96.75	96.74	Unch.	10,291
May97	96.76	96.75	96.76	Unch.	3,311
Jun97	96.74	96.73	96.74	+ 0.01	229,938
Sep97	96.68	96.66	96.67	Unch.	192,080
Dec97	96.52	96.50	96.51	— 0.01	212,205
Mar98	96.36	96.33	96.35	Unch.	159,700
Jun98	96.16	96.14	96.16	Unch.	134,689
Sep98	95.95	95.93	95.95	Unch.	109,421
Dec98	95.70	95.67	95.68	— 0.01	72,553
Mar99	95.44	95.41	95.42	— 0.02	61,577
Jun99	95.16	95.14	95.15	— 0.02	53,536
Sep99	94.86	94.87	94.87	— 0.02	28,456
Dec99	94.62	94.59	94.61	— 0.01	29,694
Mar00	94.37	94.35	94.35	— 0.02	8,965
Jun00	N.T.	N.T.	94.14	— 0.02	1,305
Sep00	N.T.	N.T.	93.94	— 0.02	2,716
Dec00	N.T.	N.T.	93.76	— 0.02	1,365
Mar01	N.T.	N.T.	93.58	— 0.02	307
Est. sales: 84,414. Prev. sales: 137,748					
Prev. open int.: 1,290,121 up 10,044					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Jun97	93.07	92.98	92.99	— 0.06	107,752
Sep97	93.46	93.34	93.35	— 0.11	69,755
Dec97	93.58	93.47	93.48	— 0.10	41,838
Mar98	93.57	93.48	93.49	— 0.10	25,682
Jun98	93.52	93.43	93.44	— 0.10	16,244
Sep98	93.46	93.38	93.37	— 0.10	4,676
Dec98	93.38	93.31	93.31	— 0.10	470
Mar99	N.T.	N.T.	93.21	— 0.09	649
Est. sales: 42,949. Prev. sales: 81,203					
Prev. open int.: 267,046 up 1,027					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jun 97	96.69	96.65	96.66	— 0.02	59,380
Sep 97	96.60	96.56	96.57	— 0.02	48,322
Dec 97	96.48	96.46	96.46	— 0.02	31,946
Mar 98	96.34	96.33	96.33	— 0.02	23,841
Jun 98	96.17	96.14	96.16	— 0.01	18,200
Sep 98	95.97	95.95	95.96	— 0.02	18,004
Dec 98	95.74	95.72	95.73	— 0.02	12,720
Mar 99	95.49	95.47	95.48	— 0.02	11,395
Jun 99	95.24	95.22	95.23	— 0.03	6,618
Sep 99	94.97	94.96	94.97	— 0.02	4,351
Dec 99	94.73	94.73	94.73	— 0.02	5,848
Mar 00	94.51	94.49	94.51	— 0.01	1,606
Est. volume: 39,764. Open int.: 242,251 off 510.					

Industrials

	High	Low	Latest	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
May 97	72.15	71.15	71.36	—0.74	30,450
Jul 97	73.90	73.00	73.20	—0.65	21,221
Oct 97	74.90	74.26	74.36	—0.84	1,872
Dec 97	75.90	75.25	75.38	—0.62	22,195
Mar 98	76.80	76.26	76.53	—0.62	2,360
May 98	77.25	77.02	77.25	—0.55	595
Est. sales N.A. Wed's. sales 16,325					
Wed's open int 79,401 up 1137					
HEATING OIL (NMER) 42,000 gal, cents per gal					
May 97	55.30	52.75	55.10	+1.99	34,461
Jun 97	54.40	52.30	54.20	+1.47	26,738
Jul 97	54.50	52.60	54.35	+1.37	18,602
Aug 97	54.55	53.30	54.55	+0.97	18,771
Sep 97	54.75	54.10	55.00	+0.67	7,080
Oct 97	56.15	54.90	56.15	+1.07	4,986
Nov 97	56.20	55.70	56.20	+0.37	6,517
Dec 97	57.50	56.35	57.50	+1.08	11,676
Jan 98	57.30	56.75	57.30	+0.42	6,396
Feb 98	58.00	56.65	58.00	+1.27	2,958
Est. sales N.A. Wed's. sales 21,487					
Wed's open int 138,764 up 3439					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
May 97	19.95	18.96	19.88	+0.53	76,958
Jun 97	19.95	19.13	19.86	+0.47	77,114
Jul 97	19.95	19.25	19.88	+0.45	37,103
Aug 97	19.90	19.30	19.90	+0.43	24,847
Sep 97	19.95	19.35	19.95	+0.45	17,718
Oct 97	19.95	19.50	19.91	+0.40	15,657
Nov 97	19.75	19.41	19.75	+0.23	12,768
Dec 97	19.85	19.42	19.80	+0.27	29,894
Jan 98	19.90	19.47	19.98	+0.36	14,417
Feb 98	19.55	19.45	19.55		7,744
Mar 98			19.55		3,952
Apr 98			19.55		3,809
May 98			19.55		4,375
Est. sales N.A. Wed's. sales 106,240					
Wed's open int 410,003 off 1236					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
May 97	1.910	1.880	1.895		28,592
Jun 97	1.975	1.950	1.965		19,087
Jul 97	2.010	1.980	2.005		13,607
Aug 97	2.020	1.990	2.020		10,277
Sep 97	2.025	2.002	2.020		11,369
Oct 97	2.050	2.025	2.040		12,355
Nov 97	2.180	2.165	2.180		6,375
Dec 97	2.310	2.295	2.310		10,012
Jan 98	2.355	2.340	2.355		10,543
Feb 98	2.295	2.285	2.295		4,991
Mar 98	2.180	2.172	2.180		4,297
Est. sales N.A. Wed's. sales 29,069					
Wed's open int 170,800 off 1229					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
May 97	61.70	59.60	61.50	+0.80	39,054
Jun 97	61.20	59.40	61.05	+0.74	30,580
Jul 97	60.30	58.60	60.20	+0.74	11,174
Aug 97	59.30	58.00	58.95	+0.40	5,295
Sep 97	58.10	56.75	58.10	+0.85	2,792
Oct 97	55.85	55.60	55.60	—0.05	1,716
Est. sales N.A. Wed's. sales 25,080					
Wed's open int 96,704 up 95					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Apl 97	161.00	160.00	162.50	Unch.	8,846
May 97	162.75	159.75	160.50	—3.75	19,045
Jun 97	164.00	161.75	162.00	—3.25	8,807
Jul 97	166.00	164.00	164.25	—2.75	5,698
Aug 97	167.75	166.00	166.50	—2.50	4,101
Sept 97	169.50	168.50	168.50	—2.50	2,220
Oct 97	171.25	170.50	170.50	—2.25	2,356
Nov 97	172.25	171.75	171.75	—2.00	984
Dec 97	173.50	172.50	172.75	—2.00	7,079
Jan 98	174.00	173.50	173.75	—1.75	1,204
Est. sales:32,125. Open int.:61,805 off 4,231					

Stock Indexes

	High	Low	Close	Chge	OpInt
S&P COMP. INDEX (CMER) 500 x index					
Jun 97	766.40	762.60	765.70	+0.10	179,854
Sep 97	774.20	770.30	771.50	—1.90	4,763
Dec 97			781.30		3,097
Mar 98			790.90		300
Est. sales N.A. Wed's. sales 74,610					
Wed's open int 188,014 up 1316					
CAC 40 (MATIF) FF200 per index point					
Apr 97	2616.0	2593.0	2606.0	— 14.00	25,064
May 97	2596.5	2586.0	2591.5	— 14.00	3,679
Jun 97	2571.0	2557.5	2567.5	— 14.00	19,730
Sep 97	2586.0	2580.0	2581.5	— 14.00	8,701
Est. volume: 14,279. Open int.: 66,021 up 1,320.					
FTSE 100 (LIFFE) £25 per index point					
Jun97	4324.0	4283.0	4323.0	+ 20.0	60,776
Sep97	4342.0	4342.0	4349.0	+ 21.0	2,695
Est. sales: 11,389. Prev. sales: 13,917					
Prev. open int.: 63,471 off 175					

Commodity Indexes

	Close	Previous
Moody's	N.A.	N.A.
Reuters	1,956.90	1,944.20
D.J. Futures	158.25	157.76
CRB	243.25	241.20

مكتبة الأهرام

مكتبة من الأصل

ASIA/PACIFIC

China's Surprise: Low Inflation

But Positive Data Mask the Uncertainty in Economy

By Seth Faison
New York Times Service

SHANGHAI — At an international business conference here, Prime Minister Li Peng dropped a piece of unexpected good economic news: China's annual inflation rate fell to 3 percent in the first quarter.

Not even the country's most optimistic economic forecasters had seen this coming. For now, China's leaders appear to have achieved what looked impossible not long ago: steadily high economic growth accompanied by ever-lower inflation.

With the economy expanding at a jaunty 9.7 percent pace in the first quarter, many economists say it is remarkable that inflation could have fallen as low as 3 percent, compared with a 6 percent rate in the first quarter of 1996. They added that the figures might have been affected by short-term factors such as an unusually strong harvest and overproduction of some goods.

Still, Mr. Li painted a rosy economic picture, predicting that economic growth would continue steadily at an annual rate of 8 percent over the next three years and average 7 percent in the subsequent decade.

"The fulfillment of this goal will enable the country's overall national strength, and people's living standards, to reach a new high," Mr. Li said Wednesday.

Economists said there were two main reasons for the decline in inflation. One was that the central government had maintained the relatively tight monetary policy it started in 1993; the more immediate reason seemed to be that a bumper harvest in 1996 had led to lower prices for grain and other foods, which are the main components of China's retail price index.

"On the surface, it looks like good news," Nicholas Kwan, senior economist at Merrill Lynch & Co. in Hong Kong, said. "But there are also elements that are abnormal or particular to this year's first quarter."

On top of the low grain prices, an oversupply of industrial and consumer goods led to lower prices in those areas, Mr. Kwan said. "It's not because consumer demand is really that weak but because producers are reaching capacity," he said.

In a sophisticated market economy, Mr. Kwan said, supply comes pretty close to matching consumer demand. But in China, factories may keep producing certain goods even when demand for them is falling and there are shortages of other goods.

Thus, for all the positive data on growth and inflation, deep uncertainties persist in China's economy.

The immediate outlook, however, is noticeably brighter than it was in the summer of 1994, when inflation peaked at 24 percent a year and frightened Chinese leaders, who feared that it might lead to political unrest.

Since an austerity program kicked in, inflation has dropped steadily, actually falling below the government's target in 1996, when it came to 6.1 percent. For 1997, the official forecast is for inflation of 6.0 percent, although the first quarter's results could take it even lower.

Dow Jones Embarks On Venture in Japan

TOKYO — Dow Jones & Co., Nihon Keizai Shimbun Inc. and Quick Corp. will create a new electronic financial news service for equities, the companies said Thursday.

The alliance will link Quick's financial information service with Dow Jones Financial Markets, formerly known as Telerate. The companies will exchange news articles, securities prices, fundamental data and analytic tools.

The first jointly produced products will be released as early as September, Dow Jones said.

Nikkei/Quick and Dow Jones will combine their newsroom operations in Japan under joint editorial direction and produce a service in English and Japanese.

Quick is part of the Nikkei Group, which publishes Nihon Keizai Shimbun, Japan's largest-circulation daily business newspaper.

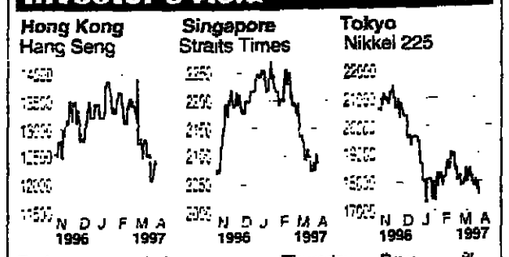
The alliance with Nihon Keizai and Quick will not affect Dow Jones' relationship with Kyodo News, Japan's largest news service.

Kyodo has exclusive rights to sell Dow Jones Markets' news and data terminals. Dow Jones Markets and its users have access to Kyodo's Japanese-language news.

Dow Jones Markets has 12,000 terminals in Japan, a Kyodo spokesman said. Quick officials said the company has 46,000 terminals worldwide, most in Japan.

On Wednesday, Dow Jones said that its first-quarter profit fell 33 percent, largely because of a steep drop in income from Dow Jones Markets. *(Reuters, Bloomberg)*

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	12,358.70	12,426.68	-0.55
Singapore	Straits Times	2,087.27	2,103.20	-0.76
Sydney	All Ordinaries	2,392.90	2,389.20	+0.15
Tokyo	Nikkei 225	17,485.75	17,703.37	-1.23
Kuala Lumpur	Composite	1,147.96	1,163.85	-1.37
Bangkok	SET	713.89	712.63	+0.18
Seoul	Composite Index	688.04	698.66	-1.52
Taipei	Stock Market Index	8,584.12	8,655.82	-0.83
Manila	PSE	2,949.02	2,909.30	+1.37
Jakarta	Composite Index	635.56	638.22	-0.42
Wellington	NZSE-40	2,233.85	2,220.70	+0.59
Bombay	Sensitive Index	3,598.37	3,650.88	-1.44

Source: Telekurs — International Herald Tribune

Sinking Yen Squeezes South Korea's Exporters

Bloomberg News

SEOUL — Every time the yen falls against the dollar, it lands on South Korean exporters.

Whether in ships or cars, steel or electronics, Japanese and South Korean companies compete in many of the same markets, and currency fluctuations can make or break a sale.

"Unfortunately, Korea's major exporters happen to compete with Japanese companies," Lee Chang Sun, an economist at LG Economic Research Institute, said. "What's good for Japanese companies is bad for Korea."

The yen has lost a fifth of its value against the dollar since the start of last year — and almost 8 percent in the past three months. The South Korean won has dropped less than that against the dollar, giving it a gain of 2.7 percent against the yen this year.

In 1996, Japan and South Korea listed 24 of the same items — including ships, semiconductors, automobiles and machinery — among their top 50 exports. South Korea's exports of those 24 items reached $55.3 billion, 43 percent of its total. For Japan, the same items earned $186 billion, 45 percent of its total exports. Hyundai Motor Co., South Korea's largest automaker, is a typical yen casualty.

In early 1995, Hyundai's midsized Sonata sedan sold for $13,399 in the United States, about 10 percent less than the Accord made by Honda Motor Co. of Japan, which cost $14,800.

Because of the slump in the yen — which makes each dollar earned overseas worth more when it is brought home and converted into Japanese currency — Honda has needed to raise the price of its Accord just 2 percent in the past two years, to $15,100. But Hyundai now charges $14,699 for a Sonata, narrowing the price gap to just 2.7 percent.

"It is really difficult to compete with Japanese cars with the same price tag," said Min Kyung Hwan, a Hyundai spokesman. "The general perception is that Korean car quality is inferior to that of Japan."

To make matters worse, South Korean automakers cannot count much in terms of domestic sales, because of their saturated home market.

Last month, domestic vehicle sales fell 10 percent from a year earlier even as exports rose 26 percent, and South Korean automakers for the first time sold fewer vehicles at home than they did overseas.

The falling yen has had the same effect on ships. Prices of 300,000-ton oil tankers have dropped by a quarter since 1993, when South Korea overtook Japan as the world's biggest shipbuilder. But wages paid by South Korean shipbuilders have risen an average of 10 percent a year since then, squeezing profits.

"Our profits will fall this year due to the weaker yen, and we're not happy at all," said Ahn Wook Hun, a spokesman at Daewoo Heavy Industries, Korea's second-biggest shipbuilder. "Some Korean companies are already selling ships that are just 5 percent cheaper than Japanese vessels."

New Models From Kia

Reuters

SEOUL — Kia Motors Corp., facing lackluster local sales, hopes to lure consumers with several new models in the months ahead, South Korea's second-largest automaker said Thursday.

Kia said it would introduce an upgrade of its subcompact Sephia around the middle of the year and a new minivan and midsized sedan in the second half.

Very briefly:

• **Mazda Motor Corp.**'s president, Henry Wallace, said benefits from its link to **Ford Motor Co.**, which owns a one-third share of the Japanese carmaker, would begin to show after 2000. Mr. Wallace said Mazda would unveil a general outline for sharing an automobile platform with Ford in a week to 10 days.

• **China Light & Power Co.** signed an agreement with Exxon Energy Ltd. and several Chinese utilities to build a 7 billion Hong Kong dollar ($903.5 million) power plant in southern China. The plant is part of the Hong Kong utility's move away from a slowing domestic market.

• **Thailand**'s central bank plans to help stabilize the country's troubled commercial banks by reducing their debt, a senior official said.

• **China** will improve its environment for foreign investors by encouraging competition, increasing the transparency of policies and information, and liberalizing investment restrictions, the deputy prime minister, Li Lanqing, said. He added that China was seeking foreign investment in infrastructure projects, on which it planned to spend more than $280 billion in the next five years. Mr. Li also said Beijing opposed discriminatory trade practices.

• A U.S. court rejected a proposed $6 billion class-action suit against **Freeport-McMoRan Copper & Gold Inc.** that charged that security guards at a mine in Irian Jaya operated by the company's Indonesian subsidiary, **PT Freeport Indonesia**, had abused villagers nearby.

• **Australia**'s employment rolls dropped in March by 33,900, suggesting the economy was sluggish and diminishing the likelihood the central bank would raise interest rates this year. Despite the decline, however, the unemployment rate dropped to 8.7 percent, as fewer Australians looked for work.

• **Thailand**'s $500 million Yankee bonds targeting U.S.-based investors have been assigned an "A" rating by **Standard & Poor's Corp.**

• **China**'s nonferrous metal industry is facing a crisis because of rising production costs and falling prices, a Chinese newspaper reported. The China Business Times said producers of 10 major nonferrous metals saw profits slide by 3.2 billion yuan ($384.3 million) last year.

• **Development Bank of Singapore Ltd.** confirmed that it was holding talks with **Sri Dhana Finance & Securities**, a Thai finance company in which it holds a 10 percent stake, amid reports of a merger between the two companies.

Reuters, Bloomberg, AFP

GROUPE SEB

CALOR. ROWENTA. SEB. TEFAL

1st QUARTER CONSOLIDATED SALES

	1997 (FRF millions)	1997/1996 (%)	1997/1996 At constant exchange rates (%)
European Union	1,345	- 4	- 4
including France	595	- 6	
including Germany	267	- 5	- 3
American continent	359	+ 18	+ 7
including NAFTA (USA - Canada - Mexico)	337	- 14	- 3
Other countries	666	+ 60	+ 65
Total	2,370	+ 12	+ 9

We announce with deep sorrow
the passing of our beloved

Evelyne Safra Nasser

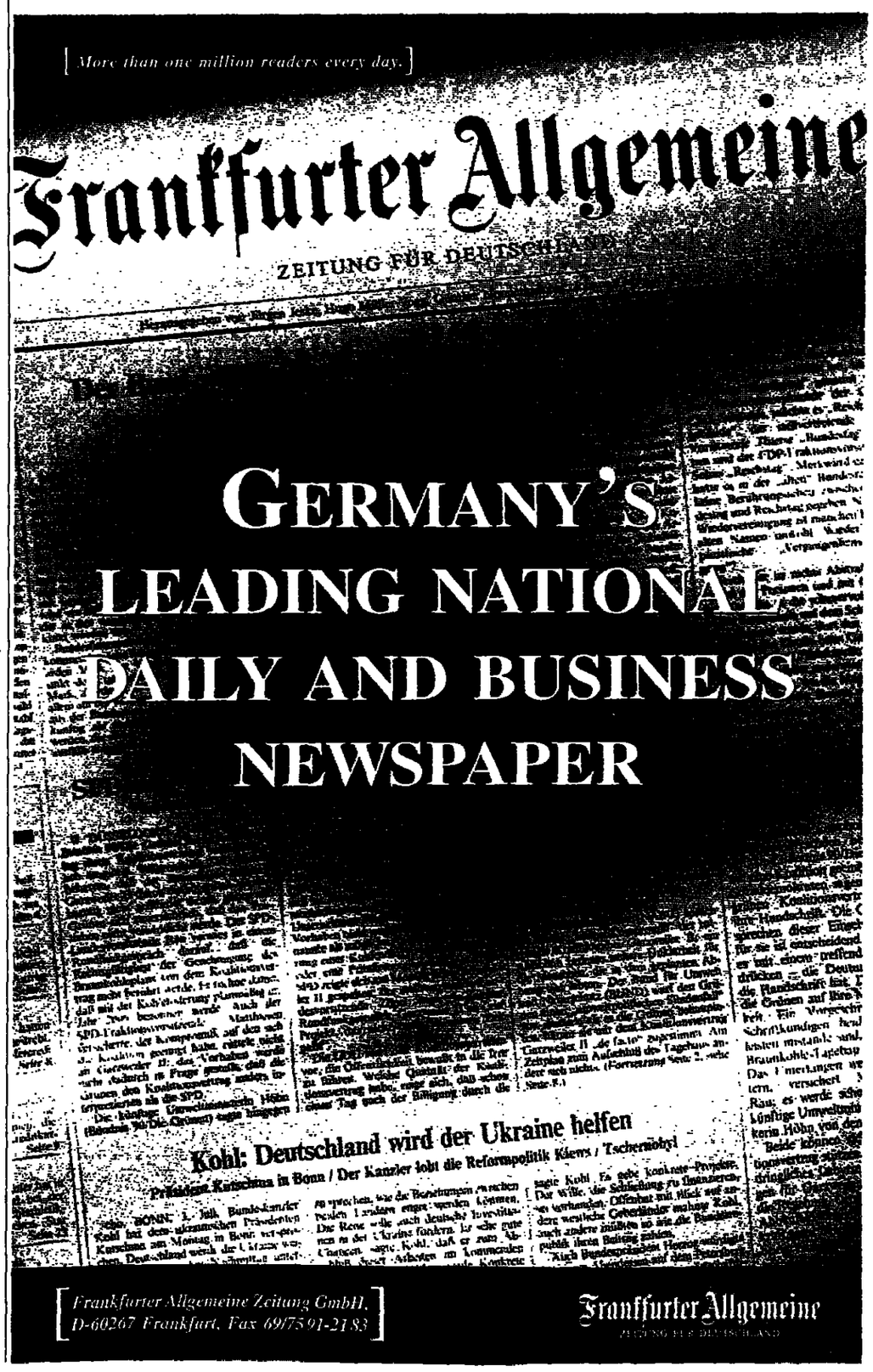
April 8, 1997
Sao Paulo, Brazil

Mr. Rahmo Nasser
Mr. and Mrs. Ezequiel Nasser and their children
Mr. and Mrs. Jacques Nasser and their children
Mr. and Mrs. Raphael Kassin and their children
Mr. and Mrs. Edmond Safra
Mr. and Mrs. Moise Safra and their children
Mr. and Mrs. Joseph Safra and their children
Mr. and Mrs. Ralph Michaan and their children
Mr. and Mrs. Ernest Freidler and their children
Mr. and Mrs. Eliott Safra and their children
Mrs. Elie Safra and her children
Mr. and Mrs. Albert Safra
Mr. and Mrs. Victor Smaga and their children

The Board of Directors,
management and employees of
Republic National Bank of New York
and
Republic New York Corporation
express their deepest sympathies to
the Safra family on the passing of

Evelyne Safra Nasser

April 8, 1997
Sao Paulo, Brazil



Waigel Set to Soften Stance in Tax Debate

Compiled by Our Staff From Dispatches

FRANKFURT — Finance Minister Theo Waigel signaled Thursday that the German government may be willing to cut payroll contributions for social welfare payments by raising the value-added sales tax and gasoline tax.

The move would be a bow to the opposition Social Democrats, but Mr. Waigel told the daily Bild that he was "willing to compromise."

"Germany needs this tax reform so that the jobless rate can be reduced permanently," he was quoted as saying. "But of course, both sides need to approach one another in such talks."

Chancellor Helmut Kohl's Christian Democrats and the junior coalition partner, the Free Democrats, plan to resume talks Tuesday with the Social Democrats on what would be the country's biggest tax-revision package since 1949.

Analysts said the government and opposition still had a long way to go before reaching a compromise, but they remained confident that change was on its way this year.

Economists say it is vital for the economy that a compromise be reached by the end of the year, because the planned reductions in corporate and personal income taxes are designed to help revive consumer demand.

"Tax reform is perhaps the most important policy project on the table at the moment," Joachim Fels, an economist at Morgan Stanley Ltd. in London, said. "It's imperative to getting the potential output out of the economy."

Tax-reform plans have taken on particular importance as Germany scrambles to meet the fiscal criteria set down in the Maastricht treaty on European union so that it can be among the founding members of Europe's planned common currency in 1999. The criteria call for single-currency participants to trim their budget deficits to no more than 3 percent of gross domestic product.

Germany is struggling to achieve this goal with joblessness near record highs and growth still heavily dependent on a depreciated currency lifting exports.

Mr. Waigel reiterated Thursday that Germany would meet the Maastricht target.

"I have not changed my view," he said at a speech in Ludwigsburg. "I will oppose any weakening of the criteria." In a reference to the deficit limit set by the treaty, he added, "Three is three."

He said he was responding to recent speculation that Germany was considering a looser interpretation of the criteria.

Mr. Waigel also said a delay in introducing the single currency would tend to raise the value of the Deutsche mark and damage German exports.

"That will depress our exports, jobs will be lost, and public finance will suffer," he said, adding that it would force Bonn to "transform the country's economic structures even faster and more radically than we now plan to do."

(Reuters, Bloomberg, AFP)

Telekom IPO Lifts Profit At Dresdner

Compiled by Our Staff From Dispatches

FRANKFURT — Dresdner Bank AG, Germany's second-largest bank, said Thursday its net profit rose 31 percent last year as Deutsche Telekom AG's initial public offering raised its commission and trading income.

Profit rose to 1.58 billion Deutsche marks ($915.7 million) from 1.21 billion DM in 1995 as net commission income rose to 4.13 billion DM from 3.05 billion DM.

Dresdner was one of three banks that acted as lead managers in the sale of Deutsche Telekom shares in November. The bank said trading income rose to 666.5 million DM last year from 592.5 million DM, while net interest income rose to 6.62 billion DM from 6.23 billion DM. Dresdner increased its provision for bad loans to 1.1 billion DM from 1.07 billion DM.

Dresdner said 1997 had started strongly, with net commission income up significantly. The chief executive, Juergen Sarrazin, said gains from securities in the bank's portfolio had laid a "solid foundation" for 1997 but warned that risk provisions would continue to be burdened by corporate insolvencies. *(Bloomberg, Reuters)*

Prague Strikes Back on Fraud

Investors Call for Further Steps as Top Regulator Quits

By Peter S. Green
Special to the Herald Tribune

PRAGUE — The chief financial-markets regulator resigned Thursday amid signs that the Czech Republic may be cracking down on financial fraud. But investors said the government still had a long way to go to make the country's markets safe and attractive.

Vladimir Rudlovcak, deputy finance minister and senior regulator, had come under pressure to step down as a result of allegations that he had failed to stop the embezzlement of millions of dollars from several large investment funds.

The Finance Ministry said Mr. Rudlovcak had blamed his resignation on "a long-term, strong media campaign" directed at himself and the ministry over the failure of the funds. Mr. Rudlovcak has not been charged with any wrongdoing in the case.

One fund, CS Fondy AS, lost 1.25 billion koruny ($42.5 million) last month when the latest of several owners liquidated its assets and transferred them out of the country, leaving fundholders with nearly worthless shares in a Bohemian chicken farm.

Press reports said Mr. Rudlovcak had approved the company's move even as a Finance Ministry fraud unit had been advised the transfer of funds could be suspect.

Mr. Rudlovcak's resignation came as a senior adviser to Prime Minister Vaclav Klaus agreed to push for a cabinet-level commission to try to clean up the country's capital markets. Mr. Klaus is expected to announce a reform package after his cabinet meets Wednesday.

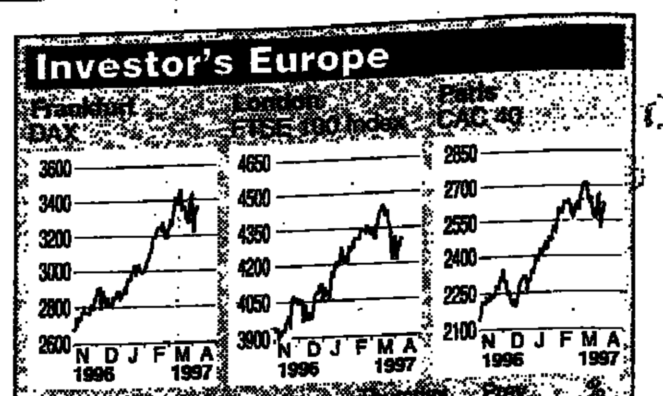
In other actions this week, the police arrested two managers who allegedly had defrauded the Trend Value investment fund of about 1 billion koruny of stock, including a majority stake in Prague's leading department store, Kotva. Those arrests followed complaints by the fund's new owners, Regent Pacific Group, which found Trend's coffers empty when it took control of the company last summer.

"We know that this problem is serious, and we will find the best solution for the situation, to do the most to prevent other cases like this, but how we do it will be subject to negotiations," Martin Kocourek, economic adviser to Mr. Klaus, said.

Zdenek Bakala, chairman of Patria Finance, an investment bank, called this week's measures "a change that has been forced on the government by events, rather than one that they would believe in."

He said Prague was "refusing to accept the fact that its future depends primarily on its own ability to attract capital and added, "The danger is lack of economic growth, which will condemn this country to lagging behind EU member states forever."

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	[illegible]	738.69	-0.71
Brussels	BEL-20	[illegible]	2,126.84	-0.38
Frankfurt	DAX	[illegible]	3359.46	-0.24
Copenhagen	Stock Market	[illegible]	531.35	+0.27
Helsinki	HEX General	[illegible]	2,872.82	-0.82
Oslo	OBX	[illegible]	595.98	-0.44
London	FTSE 100	[illegible]	4,292.30	+0.45
Madrid	Stock Exchange	[illegible]	482.80	-0.39
Milan	MIBTEL	[illegible]	12078	-0.63
Paris	CAC 40	[illegible]	2,617.55	-0.37
Stockholm	SX 16	[illegible]	2,817.50	+0.67
Vienna	ATX	[illegible]	1,187.94	-0.94
Zurich	SPI	[illegible]	2,929.78	-0.10

Source: Telekurs — International Herald Tribune

Very briefly:

- **Lufthansa AG** and the service-sector union DAG, which represents about 10,000 pilots, cabin crew and ground staff, agreed on a contract that freezes wages until April 1998.
- **Russia** is the emerging market most likely to outperform expectations in 1997, a survey of fund managers found; Eastern Europe and Latin America were the most favored regions.
- **Denmark's** seasonally adjusted unemployment rate fell to 8.1 percent in February from 8.2 percent in January, largely because of government-sponsored programs that removed certain categories of unemployed people from the jobless rolls.
- **Credit Suisse Group** plans to launch a direct-banking service on the Internet on Monday, making it the first of Switzerland's big commercial banks to offer such a service as the banks battle to cut costs.
- **Italy's** new-car registrations surged 25 percent in March from a year earlier, bolstered by government incentives to car buyers. *Bloomberg, Reuters*

Sony Finds Eastern Europe Competitive

Reuters

BUDAPEST — Executives of Sony Corp. said Thursday that the company intended to expand in Eastern Europe, describing the region as competitive with Southeast Asia.

"We have a strong intention to expand our manufacturing in East and Central Europe," Sony's president, Nobuyuki Idei, said during a meeting for Sony suppliers in Hungary.

He did not announce any specific expansion plans. But he said Sony, which has factories in Hungary and Slovakia, already got one-quarter of its business, or $11 billion to $12 billion in revenue, from Europe.

"Central and East Europe represents about 10 percent of total European business," Mr. Idei said, "so I think a local investment for manufacturing will also accelerate our penetration of these markets."

Jakob Schmuckli, chairman of Sony Europa GmbH, said that with the opening of Eastern Europe, the Continent "has a chance to re-establish itself as one of the global supply bases." He said Sony planned to expand employment at its 30 million Deutsche mark ($17.5 million) home audio-video plant in Godollo, Hungary, from the current 300 to 600 or more.

$4.2 Billion North Sea Energy Plan Cleared

Bloomberg News

LONDON — The government approved $4.2 billion worth of North Sea oil and natural gas projects Thursday, including a £400 million ($649 million) pipeline, that will be developed over the next five years.

Royal Dutch/Shell Group and Elf Aquitaine SA will develop two separate oil and gas fields about 130 miles (210 kilometers) off the coast of Aberdeen, Scotland, that will be connected by a 289-mile shared pipeline and a gas processing plant.

Together, the Shearwater and Elgin/Franklin fields contain 2.5 trillion cubic feet of gas and 506 million barrels of condensate, a light oil used by the chemical industry. That is enough gas to supply all of Britain for more than a year.

The projects are among the biggest new developments in the North Sea, an aging petroleum province that is expected to reach peak production in the next couple of years.

For the oil industry, these projects are a "key piece in the central North Sea jigsaw," said Heinz Rothermund, managing director of Shell's exploration unit. He said they would "help ensure U.K. gas supplies well into the new millennium."

Renault Strike in Belgium to End

Compiled by Our Staff From Dispatches

BRUSSELS — Two-thirds of the 3,100 workers at the Renault SA plant at Vilvoorde, near Brussels, decided Thursday to return to work after a six-week protest against the French carmaker's plans to close the factory, union officials said.

"Work will start on Monday but only under certain conditions," said a union official, Hendrick Vermeersch. He did not elaborate.

Renault's decision to close the factory as part of a long-term plan to cut costs has been protested throughout Renault operations in Europe. The factory has been occupied by strikers since the announcement Feb. 27 that it would be closed by July 31. *(AFP, Bloomberg)*

WORLD STOCK MARKETS

Thursday, April 10
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 733.47 Previous: 738.69

	High	Low	Close	Prev.
ABN-AMRO	126.50	124.80	124.80	127.10
Aegon	130.80	129	129.20	130.90
Ahold	134.90	133.60	134.80	135.40
Akzo Nobel	269.50	267.60	267.60	270
Baan Co.	90.80	89.30	90	91.80
Bols Wess cva	37.60	36.70	37.50	37
CSM cva	109.60	107	109.30	109.60
Dordtsche Pet	355	351	352	353.50
DSM	186.30	184.80	185.10	187.50
Elsevier	31.10	30.70	31	31.10
Fortis Amev	71	69.60	70.40	71
Getronics	60.80	59.30	59.50	60.90
G-Broc cva	62.30	61.40	62.30	61.80
Hagemeyer	161	158.60	160.60	161
Heineken	325.50	322	324.20	324.30
Hoogovens cva	92.10	91.10	91.80	92.20
Hunt Douglas	153	152	152.60	152.50
ING Group	74.10	73.40	74.10	74.20
KLM	55.60	55.10	55.40	55.40
KNP BT	39.20	38.10	38.40	39.10
KPN	68.80	68.30	68.30	69
Nedlloyd Gp	48.80	48	48.10	48.70
Nutricia	287.50	284	285	287.40
Oce Grinten	240	237	239	240.10
Philips Elec	89.60	87.70	88	89.90
Polygram	96	94.50	95.40	96.40
Randstad Hdg	164	161.50	162.70	163
Robeco	160.50	159.80	159.80	159.50
Rodamco	59.90	59.60	59.90	59.60
Rolinco	164.30	163.70	163.70	163.40
Rorento	108.60	108.60	108.60	108.20
Royal Dutch	331.90	328.50	330.30	330.70
Unilever cva	357.50	351.90	354.80	353.10
Vendex Intl	90.10	88.50	89.90	89.90
VNU	40.30	39.30	39.60	40.40
Wolters Kl cva	234.20	231	232.50	234

Bangkok
SET index: 713.89 Previous: 712.63

	High	Low	Close	Prev.
Adv Info Svc	230	220	224	226
Bangkok Bk F	N.T.	N.T.	N.T.	278
Krung Thai Bk	38	37.25	37.25	37.75
PTT Explor	332	328	328	328
Siam Cement F	688	680	684	684
Siam Com Bk F	140	136	140	137
Telecomasia	47.50	46.50	47.25	47
Thai Airways	46	45.50	45.75	45.50
Thai Farm Bk F	125	122	124	122
Utd Comm	170	168	169	169

Bombay
Sensex 30 index: 3598.37 Previous: 3650.88

	High	Low	Close	Prev.
Bajaj Auto	967.25	955	961	975.50
Hindust Lever	1060	1038	1046.75	1062.50
Hindust Petim	385	380	382.50	383.50
Ind Dev Bk	91.25	89	90	92
ITC	386.50	369	383.25	387.75
Mahanagar Tel	271.25	262	270.25	267.25
Reliance Ind	272	258.50	266.50	274.25
State Bk India	283.50	270.75	275.50	284.50
Steel Authority	21.50	20.25	21	20.75
Tata Eng Loco	381.50	368	370.25	383

Brussels
BEL-20 index: 2120.69 Previous: 2128.84

	High	Low	Close	Prev.
Almanij	13800	13600	13700	13700
Barco Ind	5900	5870	5870	5900
BBL	7800	7720	7780	7720
CBR	3450	3380	3445	3390
Colruyt	14100	13950	14075	14000
Delhaize Lion	1805	1745	1755	1780
Electrabel	7850	7810	7830	7840
Electrafina	3510	3480	3505	3520
Fortis AG	6020	5950	5950	5990
Gevaert	2570	2550	2550	2540
GBL	5130	5090	5120	5140
Gen Banque	13575	13300	13475	13600
Kredietbank	12775	12600	12750	12600
Petrofina	12050	11950	11975	12025
Powerfin	4870	4840	4850	4870
Royale Belge	8870	8720	8860	8760
Soc Gen Belg	3005	2980	2995	3000
Solvay	20350	20200	20225	20250
Tractebel	14825	14700	14725	14775
UCB	89900	88900	89200	90000

Copenhagen
Stock index: 532.79 Previous: 531.35

	High	Low	Close	Prev.
BG Bank	292	289	290	290
Carlsberg B	388	382	382	385
Codan Fors	884.40	880	884.40	875
Danisco	400	385	397	400
Den Danske Bk	550	545	548	549
D/S Svendbrg B	277500	265000	277500	264000
D/S 1912 B	191000	184000	190400	184000
FLS Ind B	905	895	905	901
Kob Lufthavne	656	646	653.50	650
Nvo Nordisk B	682	657	670	683
Sophus Ber B	828	814	825	827
Tele Danmk B	349.60	343	347	347
Tryg Baltica	348	339	339	352
Unidanmark A	345	335.32	338	348

Frankfurt
DAX: 3351.49 Previous: 3359.46

	High	Low	Close	Prev.
AMB B	1398	1380	1398	1360
Adidas	186	182.50	182.50	177
Allianz Hdg	3177	3155	3170	3196
Altana	1385	1360	1370	1380
Bk Berlin	32.68	32.45	32.68	32.65
BASF	66.40	65.90	65.85	66.05
Bayer Hypo Bk	54.10	53.10	53.30	53.40
Bay.Vereinsbank	67	66.20	66.45	68.25
Bayer	69.95	69.60	69.70	69.90
Beiersdorf	90.50	89	89	90.20
Bewag	444	442.50	443	445.50
BMW	1439	1408	1439	1402
CKAG Colonia	159	156.50	157	158
Commerzbank	46.15	46	46.02	46.50
Daimler Benz	131.85	128.90	130.70	130
Degussa	724	708	721	714
Deutsche Bank	90.10	89.55	89.65	90.60
Deut Telekom	37.90	37.65	37.75	37.93
Dresdner Bank	58.30	57.90	57.92	58.70
Fresenius	370	367	369	358
Fresenius Med	158.55	156.50	158	157.50
Fried. Krupp	316	313.50	315	315
Gehe	113.70	112.50	113	113.20
Heidelbg Zmt	143.10	143	143.10	143
Henkel pfd	91.95	91.20	91.80	91
HEW	492	492	0.00	0.80
Hochtief	69.30	68.20	69.10	68.75
Hoechst	68.80	68.20	68.70	68.80
Karstadt	528	526	526.50	534
Linde	1115	1107	1115	1122
Lufthansa	22.35	21.90	21.95	22.45
MAN	469	459	464.50	466.30
Mannesmann	650	644	645.50	644.50
Metallgesellschaft	36.60	36.20	36.50	36.11
Metro	158	156	156	159.10
Munch Rueck R	4110	4080	4105	4135
Preussag	446.50	440.10	443.50	441
Rheinelektra	1250	1250	1250	1250
RWE	68.60	67.40	67.40	68.95
SAP pfd	289	285	287.50	290.50
Schering	171.90	169.60	170	169
SGL Carbon	240	238	238.50	238
Siemens	87.45	86.90	87.25	88.05
Springer (Axel)	1370	1370	0.00	0.00
Suedzucker	838	821	821	830
Thyssen	366	362.50	366	363
Veba	93.30	92.50	93	92.15
VEW	499	499	499	500
Viag	758	752	755	759
Volkswagen	1000	967	996	941.50

Helsinki
HEX General index: 2849.16 Previous: 2872.82

	High	Low	Close	Prev.
Enso A	42.10	41.90	41.90	42
Huhtamaki I	238.60	234	235	244
Kemira	54.20	53.20	54.20	53.40
Kesko	72.60	71.50	72.60	72
Merita A	16.50	16.20	16.30	16.60
Metra B	143.50	140	141	144.60
Metso-Serla B	37.80	37.10	37.20	38
Neste	125	123.50	124	124.90
Nokia A	305.50	302	304.80	308.90
Orion-Yhtymae	197	196	196	197
Outokumpu A	92.50	91	91	92.10
UPM-Kymmene	115	113.50	113.50	116
Valmet	90	89	89.50	89.50

Hong Kong
Hang Seng: 12358.70 Previous: 12426.68

	High	Low	Close	Prev.
Amoy Props	8.10	7.85	7.90	8.25
Bk East Asia	26.35	26	26.05	26.30
Cathay Pacific	12	11.90	12	12
Cheung Kong	64.75	64	64.75	64.75
CK Infrastruct	21.60	21.40	21.60	21.35
China Light	34.50	33.50	34.50	33.50
Citic Pacific	38	37.50	37.70	37.90
Dao Heng Bk	35.10	34.60	34.80	34.70
First Pacific	9.95	9.90	9.90	10
Hang Lung Dev	14.50	14.25	14.25	14.70
Hang Seng Bk	80	79.25	79.75	79.75
Henderson Inv	7.90	7.75	7.80	7.95
Henderson Ld	64	62.75	63.75	63.75
HK China Gas	14.80	14.60	14.60	14.75
HK Electric	27.60	27.30	27.55	27.40
HK Telecomm	13.45	13.30	13.35	13.35
Hopewell Hdgs	4.05	4	4.03	4.05
HSBC Hdgs	181.50	180.50	181.50	181.50
Hutchison Wh	56.25	55.50	56	56
Hysan Dev	23	22.70	22.90	23.05
Johnson El Hdg	19.35	19.20	19.20	19.25
Kerry Props	17.90	17.60	17.90	17.95
New World Dev	41.20	40.30	40.30	41.60
Oriental Press	3.03	2.93	2.95	3
Pearl Oriental	5.85	5.80	5.85	5.80
SHK Props	77.50	76.25	76.50	77.50
Shun Tak Hdgs	5.10	5	5	5.15
Sino Land Co.	7.40	7.25	7.40	7.60
Sth China Post	7.10	6.55	6.55	7
Swire Pac A	60.25	59.50	60	60.25
Wharf Hdgs	31.10	30.50	30.70	31.40
Wheelock	17	16.75	16.80	17.15

Jakarta
Composite index: 635.56 Previous: 638.22

	High	Low	Close	Prev.
Astra Intl	5800	5800	5800	5850
Bk Intl Indon	1800	1750	1775	1775
Bk Negara	1425	1350	1375	1350
Gudang Garm	10225	10100	10150	10225
Indocement	3100	2975	3050	3125
Indofood	4850	4800	4850	4800
Indosat	6525	6400	6525	6350
Sampoerna HM	10225	9950	9950	10300
Semen Gresik	5875	5800	5825	5800
Telekomunikasi	3575	3525	3550	3575

Johannesburg
All Market: 7045.06 Previous: 7048.47

	High	Low	Close	Prev.
Amalgamtd Bks	29.25	29.05	29.20	29.05
AngloAm Coal	290	288	288	293
AngloAm-Corp	278.75	277.50	278.75	277.50
AngloAm Gold	306.25	305.50	306	306.50
AngloAm Ind	178.50	178.25	178.25	178.75
AVMIN	18.70	18.50	18.50	18.50
Barlow	48.25	48	48.20	48.55
C.G. Smith	26.10	26	26.05	26.05
De Beers	165.50	164.75	165.25	165
Driefontein	42.30	42	42.30	41.80
Fst Natl Bk	29.90	29.50	29.60	30
Gencor	19.65	19.50	19.55	19.35
GFSA	110	110	110	110
Imperial Hdgs	55	54.75	55	55
Ingwe Coal	28.30	28.30	28.30	28.30
Iscor	3.40	3.30	3.40	3.33
Johnnies Indl	59	58.25	59	59
Liberty Hdgs	332	332	332	330.50
Liberty Life	124.25	124	124	124.50
LibLife Strat	15.25	15.25	15.25	15.25
Minorco	100.75	100.25	100.75	100.25
Nampak	18.60	18.40	18.40	18.60
Nedcor	86	85.50	85.50	86.25
Rembrandt Gp	45.75	45.25	45.25	46.10
Richemont	57.50	56.75	57.25	56.75
Rust Platinum	67	66.25	66.75	66.25
SA Breweries	135.50	134.25	134.50	135.75
Samancor	53.25	53.25	53.25	53.25
Sasol	52.25	51.50	51.75	51.25
SBIC	187	186	187	186
Tiger Oats	77.50	76.75	77.25	77.75

Kuala Lumpur
Composite: 1147.96 Previous: 1163.85

	High	Low	Close	Prev.
AMMB Hdgs	19.10	18.80	19.10	19.20
Genting	15	14.80	14.90	15
Mal Banking	27.25	27	27.25	27.25
Mal Intl Ship F	6.15	6.00	6.10	6.30
Petronas Gas	9.10	9	9.10	9.15
Proton	15.80	15.50	15.60	15.60
Public Bk	4.70	4.46	4.48	4.70
Renong	3.92	3.74	3.78	3.92
Resorts World	10.30	10	10	10.30
Rothmans PM	23.80	22.80	23.80	22.80
Sime Darby	8.60	8.35	8.40	8.60
Telekom Mal	19.10	18.50	18.60	19.20
Tenaga	12.10	11.80	11.90	12
Utd Engineers	20.70	20.30	20.40	20.70
YTL	12.10	11.90	12	12.20

London
FT-SE 100: 4311.60 Previous: 4292.30

	High	Low	Close	Prev.
Abbey Natl	7.75	7.63	7.74	7.74
Allied Domecq	4.39	4.33	4.37	4.43
Anglian Water	6.52	6.38	6.40	6.39
Argos	6.72	6.63	6.64	6.70
Asda Group	1.12	1.10	1.11	1.12
Assoc Br Foods	5.32	5.29	5.29	5.30
BAA	5.11	5.03	5.11	5.06
Barclays	10.66	10.43	10.51	10.65
Bass	8.17	8.10	8.13	8.18
BAT Ind	5.18	5.05	5.11	5.17
Bank Scotland	3.23	3.17	3.23	3.22
Blue Circle	4.12	4.06	4.09	4.10
BOC Group	9.52	9.38	9.43	9.48
Boots	6.87	6.82	6.83	6.85
BPB Ind	3.34	3.28	3.29	3.32
Brit Aerosp	13.38	13.30	13.34	13.42
Brit Airways	6.60	6.45	6.57	6.46
BG	1.80	1.73	1.80	1.76
Brit Land	5.53	5.47	5.53	5.51
Brit Petm	6.98	6.90	6.96	6.94
BSkyB	6.10	5.93	5.99	5.94
Brit Steel	1.50	1.48	1.48	1.50
Brit Telecom	4.45	4.32	4.43	4.34
BTR	2.58	2.35	2.54	2.52
Burmah Castrol	10.14	10.02	10.09	10.08
Burton Gp	1.53	1.51	1.51	1.54
Cable Wireless	4.97	4.91	4.94	4.95
Cadbury Schw	5.35	5.25	5.31	5.28
Carlton Comm	5.14	5	5.04	5.16
Comml Union	6.90	6.50	6.66	6.54
Compass Gp	6.86	6.74	6.84	6.75
Courtaulds	3.56	3.48	3.52	3.56
Dixons	5.27	5.23	5.57	5.27
Electrocomponents	4.02	3.98	3.98	4.01
EMI Group	11.54	11.40	11.54	11.55
Energy Group	5.02	4.85	4.90	4.88
Enterprise Oil	6.15	6.08	6.10	6.15
Fam Colonial	1.52	1.51	1.51	1.52
Genl Accident	8.25	8.01	8.17	8.11
GEC	3.74	3.67	3.71	3.73
GKN	9.93	9.83	9.90	9.93
Glaxo Wellcome	11.20	10.86	11.10	10.89
Granada Gp	9.07	8.95	9.06	9.06
Grand Met	5.03	4.88	5.01	4.91
GRE	2.79	2.73	2.75	2.74
Greenalls Gp	5.32	5.26	5.32	5.35
Guinness	5.07	4.95	5.05	4.96
GUS	6.42	6.34	6.36	6.36
Hays	5.31	5.28	5.30	5.31
HSBC Hldgs	14.60	14.44	14.52	14.55
ICI	7.18	7.06	7.08	7.18
Impl Tobacco	4.15	4.08	4.15	4.11
Kingfisher	6.76	6.68	6.71	6.78
Ladbroke	2.30	2.24	2.28	2.26
Land Sec	7.93	7.76	7.83	7.81
Lasmo	2.34	2.30	2.32	2.31
Legal Genl Grp	3.92	3.84	3.91	3.89
Lloyds TSB Gp	5.17	5.05	5.16	5.10
LucasVarity	2.07	2.02	2.02	2.07
Marks Spencer	4.94	4.89	4.92	4.91
MEPC	4.74	4.70	4.73	4.73
Mercury Asset	12.80	12.57	12.71	12.55
National Grid	2.13	2.09	2.13	2.12
Natl Power	5.32	5.13	5.26	5.15
NatWest	7	6.91	6.99	7.03
Next	6.50	6.33	6.46	6.33
Orange	2.11	2.03	2.08	2.05
P&O	6.25	6.10	6.20	6.24
Pearson	7.53	7.32	7.47	7.41
Pilkington	1.23	1.19	1.19	1.22
PowerGen	6.34	6.10	6.33	6.14
Premier Farnell	4.85	4.55	4.80	4.55
Prudential	5.69	5.60	5.67	5.64
Railtrack PP	4.31	4.18	4.29	4.20
Rank Group	4.40	4.30	4.34	4.38
Reckitt Colm	7.93	7.80	7.85	7.87
Redland	3.58	3.51	3.51	3.52
Reed Intl	11.35	11.22	11.34	11.32
Rentokil Initial	4.08	4.04	4.07	4.07
Reuters Hdgs	6.48	5.90	5.93	5.99
Rexam	3.26	3.20	3.23	3.28
RMC Group	10.18	9.85	9.98	10.01
Rolls Royce	2.47	2.42	2.47	2.44
Royal Bk Scot	5.50	5.43	5.50	5.44
RTZ reg	9.49	9.43	9.48	9.46
Royal & Sun All	4.43	4.36	4.41	4.43
Safeway	3.67	3.61	3.63	3.67
Sainsbury	3.37	3.38	3.35	3.29
Schroders	15.60	15.50	15.58	15.60
Scot Newcastle	6.69	6.61	6.66	6.69
Scot Power	3.84	3.67	3.82	3.71
Securicor	2.87	2.84	2.85	2.85
Severn Trent	7.45	7.17	7.34	7.19
Shell Transp R	10.62	10.22	10.55	10.52
Siebe	9.85	9.80	9.80	9.82
Smith Nephew	1.80	1.76	1.78	1.74
SmithKline	9.28	9.16	9.18	9.15
Smiths Ind	7.95	7.85	7.91	7.85
Sthern Elec	4.18	4.03	4.14	4.11
Stagecoach	6.50	6.42	6.43	6.46
Stand Charter	8.52	8.36	8.51	8.50
Tate & Lyle	4.47	4.36	4.45	4.36
Tesco	3.65	3.61	3.63	3.62
Thames Water	6.87	6.67	6.78	6.71
3i Group	5.10	5.02	5.03	5.09
TI Group	5.55	5.46	5.55	5.49
Tomkins	2.86	2.77	2.79	2.75
Unilever	15.64	15.32	15.56	15.29
Utd Assurance	4.74	4.56	4.70	4.72
Utd News	7.41	7.13	7.29	7.22
Utd Utilities	6.70	6.46	6.68	6.44
Vendome Lx uts	5.18	5.13	5.13	5.13
Vodafone	2.84	2.79	2.81	2.85
Whitbread	7.95	7.75	7.87	7.81
Williams Hdgs	3.20	3.16	3.19	3.19
Wolseley	4.96	4.87	4.90	4.99
WPP Group	2.56	2.52	2.53	2.52
Zeneca	18.36	18	18.14	18.05

Madrid
Bolsa index: 480.84 Previous: 482.80

	High	Low	Close	Prev.
Acerinox	20050	19930	20000	20200
ACESA	1665	1635	1635	1660
Aguas Barcelon	5390	5340	5350	5430
Argentaria	6220	6150	6170	6220
BBV	8690	8560	8620	8750
Banesto	1090	1075	1080	1085
Bankinter	19300	19180	19200	19310
Bco Centro Hisp	3830	3780	3795	3845
Bco Exterior	2800	2800	2800	2800
Bco Popular	26480	26150	26200	26250
Bco Santander	9740	9690	9730	9770
CEPSA	4420	4350	4350	4410
Continente	2515	2480	2490	2515
Corp Mapfre	7070	7020	7020	7070
Endesa	9390	9270	9280	9360
FECSA	1205	1185	1195	1205
Gas Natural	31680	31350	31570	31820
Iberdrola	1640	1615	1630	1645
Pryca	2610	2585	2590	2600
Repsol	6210	6140	6150	6150
Sevillana Elec	1290	1275	1280	1290
Tabacalera	7100	6990	7080	7130
Telefonica	3475	3405	3425	3435
Union Fenosa	1185	1170	1175	1190
Valenc Cement	1745	1700	1730	1745

Manila
PSE index: 2949.02 Previous: 2909.30

	High	Low	Close	Prev.
Ayala B	24.25	24	24	24.75
Ayala Land	26	25	26	25.50
Bk Philip Isl	156	153	156	157
C&P Homes	11.25	10	11	10
Manila Elec A	121	118	119	117
Metro Bank	640	590	630	600
Petron	10	9.80	9.90	9.80
PCIBank	360	350	350	350
Phil Long Dist	1555	1535	1555	1535
San Miguel B	81	75.50	80	75.50
SM Prime Hdg	7.40	6.80	7.30	6.80

Mexico
Bolsa index: 3782.93 Previous: 3797.30

	High	Low	Close	Prev.
Alfa A	45.35	44.20	44.80	45.30
Banacci B	18.10	17.50	17.54	18.10
Cemex CPO	28.55	28.00	28.30	28.45
Cifra C	11.12	11.06	11.12	11.10
Emp Moderna	39.30	38.85	39.00	39.45
Gpo Carso A1	48.15	47.35	48.00	47.35
Gpo F Bcomer	1.80	1.76	1.77	1.81
Gpo Fin Inbursa	29.00	28.80	28.85	28.85
Kimb Clark Mex	30.60	29.45	29.70	30.60
Televisa CPO	103.00	101.20	101.50	102.50
TelMex L	16.06	15.92	16.02	15.88

Milan
MIB Telematico: 12002.00 Previous: 12078.00

	High	Low	Close	Prev.
Alleanza Assic	11750	11600	11695	11825
Bca Comm Ital	3475	3400	3450	3450
Bca Fideuram	4495	4365	4495	4370
Bca di Roma	1215	1192	1209	1215
Benetton	21600	21250	21300	21700
Credito Italiano	2405	2380	2380	2415
Edison	9055	8875	8930	8900
ENI	8350	8245	8270	8310
Fiat	5500	5430	5465	5490
Generali Assic	29850	29550	29700	30050
IMI	15190	14925	15000	15000
INA	2340	2310	2340	2335
Italgas	5830	5725	5770	5820
Mediaset	7110	6980	7075	7050
Mediobanca	10195	10080	10125	10170
Montedison	1139	1110	1125	1123
Olivetti	604	560	569	607
Parmalat	2535	2475	2525	2510
Pirelli	3760	3665	3670	3760
RAS	14970	14700	14700	15080
Rolo Banca	15885	15635	15710	15645
S Paolo Torino	11445	11205	11325	11305
Stet	7810	7700	7795	7800
Telecom Italia	4450	4390	4405	4475
TIM	4875	4800	4840	4875

Montreal
Industrials index: 2769.48 Previous: 2781.91

	High	Low	Close	Prev.
Bce Mob Com	41.30	41.30	41.30	41.30
Cdn Tire A	24.65	24.65	24.65	24¼
Cdn Util A	30.80	30.70	30.80	30.80
CT Finl Svc	33.05	33.05	33.05	33⅛
Gaz Metro	17	16.85	16.95	16.95
Gt-West Lifeco	23	22.70	22.70	23
Imasco	33½	33	33½	33
Investors Grp	24.55	24.55	24.55	24.40
Loblaw Cos	17	16.90	17	17.15
Natl Bk Canada	14.30	14.15	14¼	14.20
Power Corp	27.80	27.65	27.65	27.85
Power Finl	26½	26.20	26.20	26.20
Quebecor B	24.95	24.80	24.80	24.95
Rogers Comm B	7.70	7.70	7.70	7.70
Royal Bk Cda	53¼	53.20	53.20	53.60

Oslo
OBX index: 593.36 Previous: 595.98

	High	Low	Close	Prev.
Aker A	179	176	176.50	180
Bergesen Dy A	144	143	143	144
Christiania Bk	24.60	24.40	24.60	24.40
Den norske Bk	28	27.70	27.80	27.80
Elkem	127.50	126	127	127.50
Hafslund A	N.T.	N.T.	N.T.	47
Kvaerner Asa	340	338	339.50	340
Norsk Hydro	331.50	327.50	328.50	333
Norske Skog A	224	220	223	226
Nycomed A	105	103	103.50	102.50
Orkla Asa A	553	550	553	551
Petro GeoSvc	280	278	278	283
Saga Petim A	115	111	113	112.50
Schibsted	130	128	129	129
Transocean Off	431	425	425	435
Storebrand Asa	46.50	46.20	46.30	46.70

Paris
CAC-40: 2607.97 Previous: 2617.55

	High	Low	Close	Prev.
Accor	825	818	825	824
AGF	200.50	195.50	197.80	200.70
Air Liquide	880	857	880	882
Alcatel Alsth	683	671	674	687
Axa-UAP	366.90	363.20	364.50	367.70
Bancaire	741	732	739	744
BIC	869	841	849	858
BNP	240.90	239	240	241
Canal Plus	1115	1076	1110	1085
Carrefour	3509	3473	3498	3514
Casino	252	247.30	249	252.40
CCF	259	253.30	253.30	254.30
Cetelem	663	650	663	652
Christian Dior	837	823	833	834
CLF-Dexia Fran	583	576	582	579
Credit Agricole	1280	1280	1280	1275
Danone	890	874	885	890
Elf-Aquitaine	544	537	542	544
Eridania BS	905	891	900	893
Eurodisney	10.05	9.90	9.90	9.90
Eurotunnel	6.60	6.55	6.55	6.60
Gen. Eaux	774	766	770	772
Havas	420	412.70	420	415.50
Imetal	845	834	835	830
Lafarge	382	375.10	378	384
Legrand	1033	1007	1017	1039
L'Oreal	2004	1985	1995	1995
LVMH	1342	1316	1329	1346
Lyon. Eaux	543	537	540	542
Michelin B	345.90	336	336	346.50
Paribas A	371.20	367.50	370	368.50
Pernod Ricard	318.80	310.60	315	319
Peugeot Cit	629	617	626	622
Pinault-Prtml	2390	2367	2388	2383
Promodes	1975	1943	1975	1959
Renault	148.90	145.10	146.50	146.50
Rexel	1669	1598	1620	1663
Rh-Poulenc A	179.50	178	178.30	181.30
Sanofi	552	537	549	535
Schneider	320.50	316.10	317.40	321.20
SEB	1051	1030	1035	1019
SGS Thomson	407	394.20	396.20	414.10
Ste Generale	653	640	653	645
Sodexho	2800	2769	2790	2775
St Gobain	788	779	781	787
Suez	284.60	281.30	281.30	283
Synthelabo	679	630	672	626
Thomson CSF	193.80	190.40	191.90	191.70
Total B	478.70	471.70	476	475.50
Usinor	90.25	89.50	90.20	90.50
Valeo	372	366.30	369	366.30

São Paulo
Bovespa index: 9777.98 Previous: 9819.12

	High	Low	Close	Prev.
Bradesco Pfd	9.00	8.85	8.95	9.00
Brahma Pfd	710.00	708.00	710.00	708.00
Cemig Pfd	48.40	47.98	48.40	48.29
CESP Pfd	59.01	57.90	57.90	58.80
Copel	16.30	16.20	16.20	16.01
Eletrobras	486.00	476.00	478.00	481.00
Itaubanco Pfd	582.00	580.00	582.00	580.00
Light Servicios	447.00	445.00	447.00	441.00
Lightpar	348.00	340.00	340.00	348.00
Petrobras Pfd	218.00	212.50	215.00	215.50
Paulista Luz	160.00	158.50	159.50	158.50
Sid Nacional	38.60	38.50	38.50	38.80
Souza Cruz	8.75	8.50	8.70	8.75
Telebras Pfd	123.90	121.00	121.50	122.50
Telemig	167.40	164.50	165.00	167.39
Telerj	180.00	172.50	180.00	176.00
Telesp Pfd	307.00	302.00	303.50	304.00
Unibanco	38.75	38.50	38.75	38.70
Usiminas Pfd	1.19	1.17	1.19	1.18
CVRD Pfd	25.90	25.30	25.90	25.25

Seoul
Composite index: 688.04 Previous: 690.66

	High	Low	Close	Prev.
Dacom	103000	101500	102500	102500
Daewoo Heavy	4800	4500	4550	4730
Hyundai Eng.	19800	19300	19500	19600
Kia Motors	15300	14800	15000	15000
Korea El Pwr	27000	26700	26700	27000
Korea Exch Bk	5870	5530	5530	5720
Korea Mob Tel	467000	455000	457000	465000
LG Semicon	30600	29000	29200	30500
Pohang Iron St	53600	51500	51500	53500
Samsung Display	43600	41600	42000	42400
Samsung Elec	64500	62000	62900	64500
Shinhan Bank	10700	10500	10600	10500

Singapore
Straits Times: 2087.27 Previous: 2103.28

	High	Low	Close	Prev.
Asia Pac Brew	7	7	7	7
Cerebos Pac	9.40	9.40	9.40	9.45
City Devits	13.70	13.20	13.20	13.70
Cycle Carriage	15.40	15.20	15.30	15.40
Dairy Farm Int*	0.72	0.71	0.72	0.72
DBS foreign	N.T.	N.T.	N.T.	18.10
DBS Land	5.45	5.25	5.25	5.35
Fraser & Neave	11.70	11.40	11.50	11.80
HK Land*	2.30	2.20	2.21	2.31
Jard Matheson*	5.60	5.55	5.55	5.65
Jard Strategic*	3.64	3.58	3.62	3.66
Keppel	9.25	9.10	9.15	9.20
Keppel Bank	4.08	4.02	4.08	4
Keppel Fels	4.62	4.54	4.60	4.60
Keppel Land	4.62	4.58	4.62	4.66
OCBC foreign	18.30	18.00	18.20	18.10
OS Union Bk F	10.55	10.40	10.50	10.60
Parkway Hdgs	6.30	6.05	6.20	6.15
Sembawang	7.20	7.10	7.15	7.15
Sing Air foreign	12.10	11.90	12.00	12.00
Sing Land	7.30	7.25	7.30	7.30
Sing Press F	27.50	26.80	26.80	27.20
Sing Tech Ind	3.84	3.72	3.76	3.88
Sing Telecomm	2.96	2.89	2.91	2.97
Tat Lee Bank	3.44	3.40	3.44	3.44
Utd Industrial	1.16	1.15	1.15	1.15
Utd O'Sea Bk F	0.80	0.00	0.00	15.70
Wing Tai Hdgs	4.40	4.36	4.40	4.38

*: In U.S. dollars.

Stockholm
SX 16 index: 2836.36 Previous: 2817.54

	High	Low	Close	Prev.
AGA B	106	104.50	105.50	105.50
ABB A	877	856	870	860
AssiDoman	194	190	192	190.50
Astra A	347.50	340.50	347.50	341.50
Atlas Copco A	192	189	191	190
Autoliv	302	294	301.50	298.50
Electrolux B	466	458.50	463	466
Ericsson B	250.50	245	250.50	250
Hennes B	1070	995	1040	1000
Incentive A	503	500	503	502
Investor B	345	341	344	344.50
MoDo B	219	211	213.50	225.50
Nordbanken	242	237	242	242
Pharm/Upjohn	272	266	272	270.50
Sandvik B	194	192	193.50	194.50
Scania B	184.50	180	184.50	182.50
SCA B	162	158	160.50	162.50
S-E Banken A	80.50	79.50	80.50	80.50
Skandia Fors	217.50	214.50	216.50	216.50
Skanska B	331	327	329.50	330
SKF B	190.50	186.50	188	188.50
Sparbanken A	137	134	135.50	135.50
Stadshypotek A	190	190	190	190
Stora A	101.50	99.50	100.50	101.50
Sv Handles A	224	219.50	222.50	219.50
Volvo B	198	190.50	196	191

Sydney
All Ordinaries: 2392.90 Previous: 2389.30

	High	Low	Close	Prev.
Amcor	8.07	8.03	8.04	8.06
ANZ Bking	7.87	7.75	7.80	7.89
BHP	16.98	16.83	16.94	16.89
Boral	3.69	3.60	3.69	3.60
Brambles Ind.	21.60	21.40	21.55	21.60
CBA	13.06	12.96	13.04	12.98
CC Amatil	14.13	14	14.06	14.06
Coles Myer	6	5.95	5.96	6
Comalco	6.40	6.30	6.35	6.35
CRA	18.70	18.58	18.60	18.70
CSR	4.71	4.69	4.70	4.71
Fosters Brew	2.59	2.55	2.58	2.57
Goodman Fld	1.68	1.65	1.67	1.65
ICI Australia	11.65	11.55	11.55	11.60
Lend Lease	23	22.50	22.75	22.53
MIM Hdgs	1.69	1.65	1.68	1.65
Nat Aust Bank	16.16	15.96	16.10	16.11
Nat Mutual Hdg	1.94	1.89	1.94	1.88
News Corp	5.85	5.80	5.82	5.84
Pacific Dunlop	3.23	3.19	3.19	3.22
Pioneer Intl	4.22	4.14	4.19	4.19
Pub Broadcast	6.60	6.56	6.59	6.57
St George Bank	8.06	7.88	7.92	8
WMC	8.03	7.83	8.02	7.82
Westpac Bking	6.69	6.62	6.66	6.67
Woodside Pet	9.30	9.23	9.25	9.22
Woolworths	3.68	3.58	3.67	3.58

Taipei
Stock Market index: 8584.12 Previous: 8655.82

	High	Low	Close	Prev.
Cathay Life Ins	173	165	165	170
Chang Hwa Bk	126	122	125	127
Chiao Tung Bk	80	77	77	79
China Develpmt	126	121	122.50	125
China Steel	30.30	29.50	29.70	30.40
First Bank	126.50	125	126.50	128
Formosa Plastic	71.50	69	69	70.50
Hua Nan Bk	119	114	115	134.50
Intl Comm Bk	80	75	75.50	79
Nan Ya Plastics	67	65	66	65.50
Shin Kong Life	109.50	102	102.50	107.50
Taiwan Semi	80	78	79.50	79.50
Tatung	57.50	55.50	55.50	57
Utd Micro Elec	68	64	68	66
Utd World Chin	76	72	72.50	76

Tokyo
Nikkei 225: 17485.75 Previous: 17783.37

	High	Low	Close	Prev.
Ajinomoto	985	956	956	966
All Nippon Air	709	693	696	702
Amway	3430	3410	3430	3420
Asahi Bank	730	685	689	700
Asahi Chem	665	642	644	665
Asahi Glass	1090	1070	1070	1080
Bk Tokyo Mitsu	1880	1760	1760	1830
Bk Yokohama	520	501	501	520
Bridgestone	2570	2520	2520	2550
Canon	2960	2820	2820	2940
Chubu Elec	2020	2000	2000	2020
Chugoku Elec	1970	1910	1920	1980
Dai Nipp Print	2160	2110	2110	2130
Daiei	570	537	545	569
Dai-Ichi Kang	1260	1130	1140	1210
Daiwa Bank	351	340	350	341
Daiwa House	1410	1340	1340	1400
Daiwa Sec	735	716	724	715
DDI	8390a	8300a	8300a	8300a
Denso	2580	2480	2480	2550
East Japan Ry	5160a	5000a	5000a	5120a
Eisai	2230	2170	2190	2230
Fanuc	4160	4080	4080	4090
Fuji Bank	1310	1200	1220	1270
Fuji Photo	4300	4150	4170	4320
Fujitsu	1310	1290	1290	1300
Hachijuni Bk	1090	1070	1070	1080
Hitachi	1140	1120	1120	1130
Honda Motor	3900	3780	3780	3880
IBJ	1180	1080	1090	1130
IHI	454	446	451	448
Itochu	579	555	577	555
Ito-Yokado	5720	5670	5680	5670
JAL	454	450	450	450
Japan Tobacco	8000a	7850a	7940a	7980a
Jusco	3750	3680	3680	3700
Kajima	503	487	490	486
Kansai Elec	2080	2040	2040	2070
Kao	1330	1290	1310	1320
Kawasaki Hvy	500	495	495	500
Kawa Steel	360	350	355	357
Kinki Nipp Ry	720	712	712	716
Kirin Brewery	985	960	967	985
Kobe Steel	221	215	215	220
Komatsu	898	888	889	879
Kubota	525	510	510	517
Kyocera	7480	7430	7430	7450
Kyushu Elec	1990	1940	1950	2000
LTCB	351	324	330	324
Marubeni	462	455	455	455
Marui	1750	1700	1710	1700
Matsu Comm	3200	3150	3160	3150
Matsu Elec Ind	2010	1980	1980	1970
Matsu Elec Wk	1180	1160	1160	1180
Mitsubishi	1050	1030	1050	1050
Mitsubishi Ch	366	343	350	364
Mitsubishi El	704	690	690	697
Mitsubishi Est	1400	1370	1370	1370
Mitsubishi Hvy	815	803	811	812
Mitsubishi Mat	924	913	917	911
Mitsubishi Tr	1120	1030	1030	1070
Mitsui	917	900	901	912
Mitsui Fudosn	1310	1280	1290	1290
Mitsui Trust	609	564	570	600
Murata Mfg	4700	4700	4700	4700
NEC	1550	1510	1510	1500
Nikon	1920	1830	1830	1890
Nikko Sec	620	603	610	608
Nintendo	9300	9190	9230	9300
Nipp Express	848	830	830	840
Nippon Oil	499	489	490	492
Nippon Steel	364	359	359	361
Nissan Motor	782	754	754	775
NKK	267	259	265	257
Nomura Sec	1230	1150	1160	1190
NTT	8780a	8680a	8680a	8750a
NTT Data	3530b	3410b	3420b	3460b
Oji Paper	615	574	588	572
Osaka Gas	287	281	283	286
Ricoh	1520	1470	1470	1510
Rohm	9720	9720	9720	9720
Sakura Bk	639	605	605	621
Sankyo	3400	3220	3250	3400
Sanwa Bank	1280	1140	1150	1230
Sanyo Elec	462	448	448	450
Secom	7200	7100	7100	7230
Seibu Rwy	5700	5330	5330	5720
Sekisui Chem	1090	1040	1050	1100
Sekisui House	1130	1090	1100	1140
Seven-Eleven	7770	7710	7730	7700
Sharp	1580	1540	1540	1540
Shikoku El Pwr	1930	1880	1890	1920
Shimizu	578	550	550	556
Shin-etsu Ch	2530	2480	2480	2500
Shiseido	1590	1560	1560	1580
Shizuoka Bk	1060	1040	1040	1050
Softbank	7700	7590	7780	7580
Sony	9200	9000	9050	9100
Sumitomo	854	790	791	836
Sumitomo Bk	1310	1190	1190	1250
Sumit Chem	500	478	478	493
Sumitomo Elec	1740	1700	1710	1710
Sumit Metal	294	286	286	288
Sumit Trust	900	846	846	872
Taisho Pharm	3180	3080	3110	3160
Takeda Chem	2820	2780	2800	2790
TDK	9180	9040	9040	9110
Tohoku El Pwr	1950	1900	1930	1940
Tokai Bank	905	825	830	889
Tokio Marine	1210	1160	1160	1180
Tokyo El Pwr	2160	2120	2120	2170
Tokyo Electron	4750	4690	4710	4740
Tokyo Gas	288	284	285	287
Tokyu Corp.	610	593	593	600
Tonen	1150	1120	1120	1130
Toppan Print	1520	1470	1470	1500
Toray Ind	735	720	725	730
Toshiba	717	703	703	715
Tostem	2610	2580	2600	2600
Toyo Trust	676	605	619	680
Toyota Motor	3380	3360	3370	3440
Yamanouchi	2600	2570	2570	2570

a: x 100; b: x 1,000

Toronto
TSE Industrials: 5795.78 Previous: 5798.71

	High	Low	Close	Prev.
Abitibi Price	20¼	20	20.20	19.95
Alberta Energy	29	28.80	28.95	28.95
Alcan Alum	44	43.10	43.40	43.35
Anderson Expl	15.70	15.35	15½	15.65
Bk Montreal	48.55	47.70	47.70	48.65
Bk Nova Scotia	51.30	50.55	50.55	51.15
Barrick Gold	33¼	32.30	33.35	32¼
BCE	63.20	62.70	63.20	63
BC Telecomm	29.55	29.20	29½	29.15
Biochem Pharm	33	32.55	32.55	34¼
Bombardier B	25.95	25.80	25.90	25.85
Brascan A	30.10	29.95	30.05	30¼
Bre-x Minerals	3	2.02	2.79	2.27
Cameco	50.60	49¾	49.85	50¼
CIBC	31.55	30.95	30.95	31.40
Cdn Natl Rail	49	48.70	48.90	49.20
Cdn Nat Res	32.10	31.40	31½	32
Cdn Occid Pet	27¼	26.95	27	26¾
Cdn Pacific	33	32.70	32.90	32.95
Cominco	35.40	35.05	35.40	35.15
Dofasco	23¼	22.80	22.85	22.90
Domtar	10¼	10.10	10¼	10.05
Donohue A	24.80	24.55	24.65	24.85
Du Pont Cda A	31	31	31	31
Edper Group	22.35	22⅛	22.30	22.35
EuroNev Mng	42½	41¾	42.05	41¾
Fairfax Finl	299	298	298	299.15
Falconbridge	27.95	27.45	27.65	27.30
Fletcher Chall A	21.55	21½	21½	21.55
Franco Nevada	70	69¼	69.60	69.40
Gulf Cda Res	10.10	9.90	10	9.95
Imperial Oil	62.10	62¼	63.05	62.90
Inco	43.35	42.60	43.15	42.55
IPL Energy	40¼	39.80	40.05	39.90
Laidlaw B	18¼	18	18.05	18.10
Loewen Group	40.35	39¾	39.90	40.20
Macmill Bldl	18¼	18.45	18.45	18.70
Magna Intl A	71	70.15	70¼	70½
Methanex	11.70	11.40	11.65	11.45
Moore	27	26.80	26.90	27
Newbridge Net	41.45	40.90	41.85	41.35
Noranda Inc	28.35	27½	28.20	27.80
Norcen Energy	29¼	29	29.30	29¼
Nthern Telecom	92.30	91.70	91.80	92¼
Nova	11	10.85	10.85	10.95
Onex	23½	23½	23½	23.65
Pancdn Petlm	56.20	55½	55½	55½
Petro Cda	19.45	19¼	19.30	19.40
Placer Dome	25.20	24	25.05	24.10
Poco Petlm	13.30	13.20	13¼	13.30
Potash Sask	105	103½	104.90	104½
Renaissance	40¼	40	40.10	40.65
Rio Algom	32.05	31½	31.60	32
Rogers Cantel B	23.90	23.85	23.85	23.90
Seagram Co	52.30	51.90	52	52.30
Shell Cda A	54.45	53.70	54¼	54
Stone Consold	20.15	20	20.15	19.95
Suncor	61	59¾	59¾	59.95
Talisman Eny	40.20	39¾	39.85	40¼
Teck B	28¼	27.35	28.10	27.85
Teleglobe	40	39.55	40	39.40
Telus	20.55	20.40	20¼	20.40
Thomson	27¼	27.10	27.20	27.80
TorDom Bank	36½	36.10	36.40	36.40
Transalta	16	15¼	15¾	16
TransCda Pipe	25.45	25¼	25.35	25¾
Trimark Finl	41¾	41½	41¾	41½
Trizec Hahn	31.55	30.85	30.95	31.40
TVX Gold	9¾	9½	9¾	9.55
Westcoast Eny	24.30	24.05	24¼	24.15
Weston	69¾	68¼	68¼	68¼

Vienna
ATX index: 1176.79 Previous: 1184.92

	High	Low	Close	Prev.
Boehler-Uddeh	815.60	804.45	814	810
Creditanst Pfd	459.40	455.15	458.90	457.90
EA-Generali	3185	3118	3150	3141
EVN	1650	1601	1608	1653
Flughafen Wien	526	522	523	524.40
OMV	1319	1305.70	1311.50	1322
Oest Elektriz	842.90	837.10	842	839
VA Stahl	462.10	458	460.10	465
VA Tech	1730	1702.90	1710.50	1732.90
Wienerberg Bau	2172	2143	2164	2174

Wellington
NZSE-40 index: 2232.05 Previous: 2228.78

	High	Low	Close	Prev.
Air NZ Zeald B	4.00	3.96	4.00	3.96
Brierly Invt	1.28	1.27	1.27	1.28
Carter Holt ord	3.09	3.07	3.08	3.09
Fletch Ch Bldg	4.22	4.15	4.22	4.20
Fletch Ch Eny	3.94	3.85	3.94	3.84
Fletch Ch Forst	1.89	1.86	1.89	1.87
Fletch Ch Paper	2.86	2.82	2.86	2.82
Lion Nathan	3.41	3.39	3.40	3.39
Telecom NZ	6.55	6.50	6.54	6.50
Wilson Horton	11.54	11.45	11.45	11.54

Zurich
SPI index: 2926.88 Previous: 2929.78

	High	Low	Close	Prev.
ABB B	1730	1715	1724	1731
Adecco B	470	466	469.50	469.50
Alusuisse R	1179	1163	1172	1173
Ares-Serono B	1870	1810	1850	1845
Atel R	905	895	905	895
Baer Hdg B	1708	1701	1701	1709
Baloise Hdg R	2920	2855	2870	2880
BK Vision	860	842	860	843
Clariant R	775	757	770	765
Crd Suisse Gp R	168	164.50	166.50	168.25
Elektrowatt B	534	532	534	534
Ems-Chemie	5940	5850	5905	5930
ESEC Hdg	3930	3845	3900	3930
Holderbank B	1106	1090	1102	1106
Liechtenst LB B	474	474	474	474
Nestlé R	1712	1694	1707	1709
Novartis R	1787	1756	1759	1773
Oerlikon Buch R	146	142.50	144	143
Pargesa Hld B	1669	1641	1649	1651
PharmaVisn B	738	724	738	726
Richemont A	1942	1895	1908	1895
Pirelli PC	225	221	223	225
Roche Hdg PC	12390	12235	12340	12320
SBC R	299	294.50	296	299
Schindler PC	1730	1705	1709	1715
SGS B	3075	3025	3070	3045
SMH B	808	796	797	811
Sulzer R	979	942	968	949
Swiss Reins R	1547	1520	1538	1527
Swissair R	1317	1298	1308	1322
UBS B	1288	1263	1287	1271
Winterthur R	1044	1025	1033	1049
Zurich Assur R	454.50	447	454	448.50

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	151.70	+1.15	+0.76	+15.04
Regional Indexes				
Asia/Pacific	110.77	-0.19	-0.17	-17.50
Europe	160.79	+2.26	+1.43	+15.53
N. America	175.96	+1.42	+0.81	+37.17
S. America	138.61	-0.90	-0.65	+55.67
Industrial Indexes				
Capital goods	175.76	+2.94	+1.70	+32.27
Consumer goods	170.28	+1.06	+0.63	+23.33
Energy	183.06	+2.94	+1.63	+34.98
Finance	112.93	+0.31	+0.28	-11.24
Miscellaneous	156.63	+1.06	+0.68	+15.33
Raw Materials	182.19	+1.28	+0.71	+28.48
Service	142.74	+0.81	+0.57	+18.95
Utilities	132.97	-0.42	-0.31	+4.59

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.
Compiled by Bloomberg News.

NYSE
Thursday's 4 P.M. Close
(Continued)

هكذا من الأصل

NASDAQ

Thursday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press

NYSE

Thursday's 4 P.M. Close

(Continued)

WORLD ROUNDUP

Stars Withdraw

TENNIS Steffi Graf on Thursday postponed her comeback after a knee injury, pulling out of this month's Hamburg Open where she could have clashed with new world No. 1, Martina Hingis.

"My long break from the game means I have to be careful about my preparations, which will take a bit longer," Graf said. *(Reuters)*

• A day after Monica Seles withdrew because of bronchitis, Irina Spirlea, the defending champion, and Jennifer Capriati pulled out of the Bausch & Lomb Championships at Amelia Island, Florida. A wrist injury forced Spirlea to withdraw before her opening match, while Capriati defaulted her second-round match Wednesday because of a pulled hamstring.

• Thomas Enqvist, the defending champion, withdrew from his opening match against Rainer Schuttler at the Gold Flake Open in Madras complaining of nausea. The match was tied at 6-6 in the first set. *(AP)*

Sydney Foresees Surplus

OLYMPICS Organizers of the Sydney 2000 Olympics expect a budget surplus of up to 50 million Australian dollars ($39 million) and have set up a 150 million dollar "rainy day" fund, Michael Knight, the organizing committee president, said Thursday. He said he expected the surplus to be larger than the 20 million dollars estimated in 1993, when Sydney won the Games. *(Reuters)*

Lindros is Suspended

Eric Lindros, the Philadelphia Flyers captain, will sit out the next two games after being suspended by the NHL for two high-sticking incidents Monday night in a loss to the New York Rangers. *(AP)*

Beaten Curry Retires

BOXING Emmett Linton battered the former undisputed welterweight champion Donald Curry into retirement Wednesday night, stopping him by technical knockout in the seventh round in Las Vegas. *(AP)*

Surgery for Gooden

BASEBALL The New York Yankees pitcher Dwight Gooden will have surgery Monday to repair a small hernia. Gooden, who could be sidelined more than a month, has been bothered by abdominal pain.

• The Seattle reliever Josias Manzanillo might lose his right testicle after being hit in the groin by a line drive off the bat of Cleveland's Manny Ramirez on Tuesday night. Manzanillo was not wearing a protective cup. *(AP)*

Canadian Subsidy

FOOTBALL The NFL provided the financially strapped Canadian Football League with $3 million, in an agreement that will give the NFL the right to use the CFL to develop players. Under the deal, the NFL will consider playing regular-season games in Toronto and Vancouver; the CFL will try to ease the way in which its players are signed by NFL teams, and an annual game will be played between the champion of the World League and the CFL's Grey Cup winner. *(AP)*

U.S. League Expands

SOCCER Major League Soccer, eager to strengthen itself in the biggest U.S. television markets, will place teams in Chicago and Miami for the 1998 season. *(AP)*

For Ailing Dortmund, Victory in the Clutch

Manchester United Falls, 1-0, Defeated by a 'Lucky Punch'

By Peter Berlin
International Herald Tribune

DORTMUND — Before the curtain rose on one of European soccer's big nights, a well-dressed man with a portable microphone strode onto the playing field and rallied the 40,000 Borussia Dortmund fans at the Westfalenstadion.

One after another, he shrieked the first names of the Dortmund team. As one, the fans bellowed back the last names, their enthusiasm undimmed

EUROPEAN SOCCER

even though every other name was an understudy. Borussia was to take the field for the first leg of the semifinal of the European Champions Cup without six stars. Dortmund won, 1-0.

A lot of attention has focused on the dangers of cumulative yellow cards. Between them the four semifinalists had 26 players on one yellow card before Wednesdays games — all just one more rash tackle away from a second yellow card and a one-game suspension. But the players have proved adept at disciplining themselves — only one was suspended for Wednesday's games: Matthias Sammer, of Borussia Dortmund.

The other five absent Dortmund stars were injured, victims of the wear and tear of the overcrowded soccer season. Two were international defenders, Juergen Kohler and Julio Cesar, the other three were the strikers Stephane Chapuisat, Karlheinz Riedle and Ibrahim Tanko. The fourth of Borussia's front-line strikers, Heiko Herrlich, played with an injured shoulder heavily strapped. He was flanked by two reserve midfielders, Lars Rickens and Rene Tretschok. Tretschok would emerge, more by accident than design, as the unlikely hero of the evening.

While the fans cheered, a drama was taking place at the other end of the field where Manchester United, the visitor, was warming up. Just the night before, Alex Ferguson, the United manager, had said that for the first time in European competition this season he had a fully fit squad. He should not have tempted fate.

Ferguson's team is chasing two trophies. It holds a precarious lead in the English Premier League with six games left. It also plays Dortmund again on April 23, and if it wins overall will play in the European Cup final. United had asked the Premier League to extend its season beyond May 11. On Thursday, the Premier League turned down United's request. Martin Edwards, United's chairman, then threatened to take the league to court.

UEFA, which runs European soccer, has increased the number of games in its showpiece club competition by changing the early knockout rounds to a league format. All four semifinalists were playing their 11th European match of the season. The national leagues, which also need the cash these marquee clubs generate, have not cut the number of games they play. The result was plain to see on Wednesday. Even the playing surface was worn by overuse.

Ferguson had a full squad for only a few hours. On Tuesday night, David May, a defender, tore a muscle training.

On Wednesday there was a worse problem. When United came out, their dominating goalkeeper, Peter Schmeichel was missing. Ferguson had accepted only 25 minutes before kickoff that a back injury meant Schmeichel could not play. Raimond van der Gouw, who had played three games for United, took his place.

That one loss destabilized United more than six absent players did Dortmund. Eric Cantona may wear the captain's armband, but Schmeichel is the key personality on the young United team. "It did unsettle us," Ferguson said after the game.

Dortmund's attack lacked sharpness from the start. Yet because United was nervous in possession and kept giving the ball back, Dortmund created chances by sheer persistence. Van der Gouw fumbled several crosses but was the equal, though only just, to the two best strikes on goal in the first half — a deft header by Herrlich and a close-range shot by the same player after Tretschok, slow to control the ball, squandered a chance in front of goal. When United did manage to string a few passes together they sliced through the home defense. It happened three times: the three best moves of the match produced the three clearest chances and three agonizing misses.

In the first half, Manchester's Nicky Butt — in the team in place of May — set up Cantona, who shot just high. In the second half, Cantona's crossfield pass found Butt scampering through the middle. His low drive smacked against the post and then away to safety. Cantona found David Beckham with a similar pass. Beckham guided the ball past Stefan Klos, the Dortmund goalkeeper, but too gently. Martin Kree was able to scramble the ball away.

Beckham is one of the children caught in European soccer's tug of love. He is just 20, but already a star in Britain, where he has been dating a member of the Spice Girls pop group, has played four times for the England team and is on the Player of the Year ballot. The demands on a star soccer player are taking their toll. On Wednesday he was dreadful. He worked hard, but his passing was lazy and woefully inaccurate. He looked jaded.

As Andreas Moeller, Dortmund's veteran midfielder, faded, his team threatened less and less. But after 76 minutes Tretschok shot hopefully from outside the penalty area. The ball clipped Gary Pallister, United's center half, and deflected in a cruel, slow arc away from van der Gouw and into the United net.

It was, said Ottmar Hitzfeld, the Dortmund coach, "a lucky punch."

"We underachieved," Ferguson said. "There were some very disappointing performances. I'm not sure it was a good game. I think Dortmund can play better too. I don't think the pitch helped."

These are not the reviews UEFA wants to hear for its prime-time television spectacular. Dortmund, if it is lucky, will have its stars back. Ferguson must hope his play better.

■ Juventus Wins in Amsterdam

Juventus, the reigning champion, moved to within sight of the European Cup final with a disciplined 2-1 victory away against Ajax Amsterdam in the first leg of their semifinal, Reuters reported from Amsterdam.

Ajax began well, attacking down the flanks through Marc Overmars and Tijani Babangida, but Juventus, its back four marshaled by the dominant Ciro Ferrara, was rarely troubled.

Juve was also swift on the counterattack. In the 14th minute, Christian Vieri and France's Zinedine Zidane undid the Ajax defense and Nicola Amoruso scored from close range. Juve's second goal in the 41st minute again involved a quick break from defense. Didier Deschamps found Vieri on the edge of the penalty area and fired a well-placed shot beyond the diving grasp of Edwin van der Saar.

In the second half, the Ajax defense continued to struggle, but in the 66th minute Ronald de Boer threaded a pass through to Jari Litmanen, who coolly beat Juventus's keeper, Angelo Peruzzi.

Curtis Compton/The Associated Press

Gene Sarazen teeing off at Augusta to inaugurate the 61st edition of the Masters. Other honorary starters were Byron Nelson, left, and Sam Snead, leaning on his club. Sarazen, 95, won his first Masters in 1935.

Azinger Takes Early Masters Lead

The Associated Press

AUGUSTA, Georgia — Paul Azinger got past the treacherous front nine at Augusta National in 3-under-par Thursday and was leading the first round of the Masters on a day where trouble lurked at every turn.

None of the first 20 players who completed their rounds under brisk, breezy conditions managed to break par.

The closest was Duffy Waldorf, who tied for fifth last year and came to the 18th at even par until a double bogey left him with a 74. He was tied with Dan Forsman, Jeff Sluman and Dudley Hart among those who finished early.

Tee-off temperatures near 50 degrees Fahrenheit (10 degrees centigrade), gradually warmed as the day went on, and super-slick greens were all it took to make Augusta a menace.

The swaying Georgia pines and whipping flags — and mostly a lot of big numbers — gave Nick Faldo, Greg Norman and other late starters something to think about.

Larry Mize, who won the Masters 10 years ago with his unforgettable chip-in on the second playoff hole, began with three pars and then bogeyed the next seven holes. He finished at 79.

Looking at a board that showed 1 under as the best score on the course, Mize shook his head. "If 71 is the best score today, that lets you think something is a little awry," he said.

Augusta National officials had said Wednesday that the greens were "substantially the same" as a year ago, when Norman opened with a 63 for a two-stroke lead over Phil Mickelson.

Ken Green five-putted on the par-3 16th for a 7. Ed Fiori parred the first seven holes until he got to No. 8, a par 5 that some players can reach in two shots. After driving into the woods, his next shot caromed off a tree into an azalea bush. He took a drop, played out of trouble and hit a wonderful shot to within 15 feet. And then he three-putted for an 8.

It took two hours and 11 groups to start play before anyone got below par — Fuzzy Zoeller, with a birdie on No. 2.

UMPIRE: *An American in Japan Is Calling Balks and Strikes*

Continued from Page 1

generally larger than the American one. Japanese umpires tolerate verbal and occasionally physical abuse that would automatically get an American player ejected, suspended and fined. Umpires sometimes reverse controversial calls after conferring among themselves. Those conferences can last 30 minutes or more, and usually end with the chief umpire getting on the public address system to make an explanation and apology to the fans.

There is also harmony and teamwork in the stands. Fans in the bleachers cheer and bang their little plastic megaphones in unison when they are instructed to do so by a head cheerleader, a man wearing white gloves and tasseled loafers. When the opposing team is at bat, they sit politely silent while the other cheering section has its turn.

Like so much in Japan, baseball is changing to suit a younger generation. Hideo Nomo, now of the Los Angeles Dodgers, has blazed a trail to the U.S. major leagues, and others are following. Ichiro Suzuki, a batting phenomenon with a matinee-idol face, is colorful and brash. There are still no Dennis Rodmans in Japanese sport, but an all-star nicknamed Godzilla threatened to expose himself in center field last year if his team failed to win the pennant.

Even so, the world Di Muro is entering is nothing like what he knew growing up in American baseball. Di Muro's father, Lou Di Muro, was an American League umpire for 20 years, and his brother is also an umpire on the cusp of making the majors.

Di Muro laughs and shrugs off the barbs from Nomura and players who have complained that his calls are "dreadful" and have demanded that he "behave properly."

Di Muro said he told league officials "that if they wanted me to come over here and become a Japanese umpire, I wasn't interested."

"If they don't want me to call the game right, that's their problem.

"I don't think I'm going to save Japanese baseball or Japanese umpiring over here in one season. This is probably a first good step. Maybe they're recognizing that they need to change."

This week, Di Muro found himself umpiring in the Tokyo Dome, the holy temple of the Japanese big leagues, home to the adored Yomiuri Giants.

The stadium, known as "The Big Egg," is as clean as a hospital. The slate gray paint on the floor shines, and throughout the game, men with large garbage bags patrol the aisles collecting trash. In the Dome, guys in suits relax with plastic cups of Chivas Regal from the snack bar, or a $7 beer and a bowl of shrimp tempura or rice balls.

Many fans said American umpires seemed more professional. U.S. major league umpires spend an average of 8 to 10 years in the minor leagues. Many Japanese umpires are former players who get little more than a five-week course in America. Japanese league officials did hire a radio announcer recently to give the umpires shouting lessons.

Cultural differences are illustrated by what happened in a game last May between the Nippon Ham Fighters and the Seibu Lions: A Lions player hit a fly ball that struck a hand rail atop the outfield wall and bounced back onto the field. The umpire closest to the play called it a home run. The Ham Fighters' manager ran onto the field, manhandled the umpire and disputed the home run call. All four umpires working the game held a conference on the field. After much discussion, the chief umpire ruled the ball a ground-rule double.

Enraged by that reversal, the Lions' manager then charged onto the field and hit the chief umpire with his forearm. A long discussion ensued in which the Lions' manager suggested a compromise solution: call it a triple. The umpires agreed.

The chief umpire told the crowd: "We apologize for the mishandling of this case and the delay in the game." No one was ejected and no one was fined.

Di Muro said he had already run into behavior by Japanese players that he'd never seen at home. During one exhibition game when he was umpiring at home plate, he called a pitch a ball and the catcher fell to the ground groaning in mock agony.

"I told him that if he wanted to stay around to see the rest of the game, he'd just take the ball and throw it back to the pitcher," Di Muro said. Di Muro doesn't speak Japanese and the catcher didn't speak English, but they understood each other.

For Di Muro, Japan is a one-year stop; he couldn't refuse. The pay is better than triple-A and he's getting exposure to the big crowds and national media attention he'll face in the major leagues. But after less than a month of being Japan's first foreign umpire, Di Muro has a prediction: "I'll probably be the last one, too."

Michael Edrington/The Washington Post

An American umpire, Mike Di Muro, left, standing with Japanese umpires before a game in the Tokyo Dome.

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مكتبة من الأصل

SPORTS

Big Freeze Keeps AL Fans at Home

The Associated Press

Where are the AL fans? At home, where it's warm.

There were just 6,477 at Tiger Stadium to see Detroit beat Minnesota. Only 5,620 came out in Kansas City where Baltimore beat the Royals in extra innings. And in Chicago, the paid crowd at Comiskey Park, where Toronto beat the White Sox, was just 746. It was the smallest paid crowd for a White Sox home game since Sept. 21, 1970, when 672 attended a doubleheader against Kansas City at the old Comiskey Park.

"There were not very many. I can't blame them. I don't think I would come out on a day like this," Toronto's Ed Sprague said.

The crowd was actually bigger than listed. Including free tickets and those who used tickets from Tuesday night, total attendance in the 44,321-seat ballpark was 1,677.

"I thank the fans who did show up," said Ozzie Guillen, the Chicago shortstop. "That's what we get paid for. To play whether it's cold or wet or sunny. You have to do your job."

On a windy day with a temperature barely above freezing, the game was moved from night to day because of the cold. The White Sox, who postponed Tuesday night's game because of the weather, sold $5 tickets that allowed fans to sit anywhere in the lower deck.

Blue Jays 5, White Sox 0 Roger Clemens (2-0) allowed two hits in 5⅓ innings against the White Sox before leaving with a muscle cramp in his groin.

Clemens struck out the first two hitters in the bottom of the sixth and had a 2-2 count on Frank Thomas. He hesitated before the next pitch, and the manager Cito Gaston and the trainer Tommy Craig rushed to the mound.

Tigers 10, Twins 5 Bobby Higginson hit his first career grand slam as Detroit rallied from 3-0 and 4-2 deficits to win. The crowd was the smallest in Detroit since 6,197 attended a game against Oakland on Aug. 21, 1989.

Orioles 4, Royals 2 Snow ranging from light to heavy fell throughout the game as temperatures dropped, with windchill, below freezing. The snow never stuck to the artificial surface or affected play, however.

Jeffrey Hammonds hit a two-run double with two outs in the 11th to win the game.

Athletics 4, Red Sox 3 Geronimo Berroa hit his fourth homer and Scott Brosius forced in the winning run with a bases-loaded walk in the 10th at Oakland.

Mariners 11, Indians 1 Bob Wolcott pitched 6⅔ shutout innings to get his first win since last Aug. 4, and Seattle roughed up the Cleveland rookie Bartolo Colon for six runs in the first inning at the Kingdome.

Russ Davis, Paul Sorrento and Jay Buhner homered for the Mariners. Chad Curtis hit a ninth-inning home run for the lone Cleveland run.

Yankees 12, Angels 5 The Yankees scored eight runs in the third inning to finish their West Coast road trip by routing Anaheim.

Braves 4, Astros 3 Jeff Blauser's hitting streak came to an end but he still got a key hit to help Atlanta end the game. Blauser singled to open the 12th inning and came around on a bases-loaded walk as the Braves extended their winning streak to six games with victory over Houston.

Coming into the game, Blauser had hit safely in eight straight at-bats before flying out to open the third. But he got the Braves started in the 12th and scored the winning run when Fred McGriff walked.

The rookie reliever Tom Martin came in with the bases loaded and threw McGriff four straight pitches out of the strike zone to force in Atlanta's winning run.

Giants 3, Phillies 0 In San Francisco, Barry Bonds hit his first homer of the season, and Kirk Rueter allowed four hits in seven innings.

Bonds, moved up to third in the batting order from the cleanup spot, connected for a two-run homer in the first.

Rockies 13, Reds 4 In Denver, Ellis Burks homered twice for the 13th multihomer game of his career, and Andres Galarraga had four hits as Colorado won its sixth straight.

On an afternoon with snow flurries and a wind-chill near 6, Dante Bichette added two hits and three runs batted in for the Rockies, who built an 8-0 lead after five innings.

Pirates 4, Padres 2 Esteban Loaiza pitched 7⅓ strong innings and hit a run-scoring single for Pittsburgh.

Tony Gwynn went 3-for-4 for San Diego and hit his first homer in 277 at-bats.

Dodgers 3, Mets 2 In Los Angeles, Mike Piazza's one-out single scored Brett Butler from third base in the 14th.

Baseball Roundup

Jeff Tan-Reuters

Jay Bell, the Royals's shortstop, forcing Rafael Palmeiro of the Orioles at second.

Hawks Rob and Block 76ers

The Associated Press

Atlanta won with defense. The Hawks had 23 steals and 13 blocks as they beat Philadelphia 116-101 on Wednesday night.

Mookie Blaylock was the biggest Atlanta thief, with eight steals, while Dikembe Mutombo was the biggest eraser, with six blocks — three of which came in a nine-second span in the first quarter. The Hawks have won nine out of 11 games. They shot 54 percent from the field in the first quarter, while the host 76ers hit 24 percent.

Philadelphia's Allen Iverson, who had a season-high 44 points against the Bulls on Monday, followed up with a 40-point effort. "To me, scoring 40 points in consecutive games was all for nothing, because we lost," Iverson said.

Hornets 136, Celtics 111 Six Charlotte players scored in double figures. The Hornets' point total — which included 15 3-point shots — was the highest of the season in the NBA, surpassing the 134 points the Chicago Bulls scored in beating Denver on Feb. 18. "The 3-point shooting for the Hornets was astounding," said M.L. Carr, Boston's coach. "When they start shooting the ball that well, you know it's going to be a tough game." Glen Rice led Charlotte with 29 points as the Hornets reached 50 wins. Rookie Tony Delk scored 18 of his season-high 25 points in the fourth quarter. The Celtics, who lost their 10th consecutive game, came in with five players on the injured list and three others unable to play.

Bulls 86, Pacers 80 Michael Jordan, struggling from the field, hit seven of eight free throws in the fourth quarter. Jordan was only 8-for-19 from the field and had six turnovers with his 23 points, but his timely free throws turned the game around early in the fourth quarter.

Jazz 101, Lakers 89 Utah clinched the West's top-seeded playoff spot with its 14th straight victory. Karl Malone scored 29 points, hitting 11 of 15 shots and all seven of his free throws for the Jazz. John Stockton had 15 points and 10 assists as Utah took a 3-0 lead in its series with the Lakers.

NBA Roundup

Ottawa Glides Closer to Playoffs

The Associated Press

The Ottawa Senators, who've never made the playoffs, are within sight of getting into the postseason.

Ottawa beat Hartford, 5-4, Wednesday to give both teams 73 points in the Eastern Conference race, though Hartford clings to the eighth and final playoff berth by virtue of more wins. Both teams have two games left.

Sharks 4, Avalanche 1 Colorado, the defending Stanley Cup champions, lost to San Jose, already eliminated from playoff contention, for the third time in a row. Bob Errey scored twice and Wade Flaherty had 37 saves as San Jose won at Colorado.

Blues 1, Blackhawks 0 Chicago, in need of one more victory or tie to gain a playoff spot, didn't get it. Instead, visiting St. Louis clinched a playoff spot by beating the Blackhawks as Grant Fuhr had his 20th career shutout.

Canadiens 3, Islanders 1 Montreal won on Long Island, keeping New York out of the playoffs for the third straight season.

Panthers 4, Devils 2 In Miami, Dave Lowry scored two of Florida's four third-period goals as the Panthers snapped New Jersey's six-game unbeaten streak.

Stars 3, Maple Leafs 2 Greg Adams touched off Dallas's three-goal second period on a power play as the Stars extended their home unbeaten streak to 11 games.

Canucks 6, Coyotes 4 Vancouver scored five goals in the first period on the way to a home-ice victory over Phoenix. The Canucks moved within two points of the Blackhawks for the final postseason berth in the Western Conference.

Red Wings 3, Oilers 3 In Edmonton, the Oilers fought to a tie with Detroit in a penalty-filled marathon.

Mighty Ducks 4, Kings 1 Teemu Selanne scored his 50th goal of the season with 36 seconds remaining, as Anaheim beat Los Angeles to give the Mighty Ducks their first winning season in their four-year history.

NHL Roundup

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	5	2	.714	—
Boston	4	4	.500	1½
Detroit	4	4	.500	1½
New York	4	4	.500	1½
Toronto	3	3	.500	1½
CENTRAL DIVISION				
Milwaukee	3	2	.600	—
Cleveland	4	4	.500	½
Minnesota	4	4	.500	½
Kansas City	3	4	.429	1
Chicago	2	4	.333	1½
WEST DIVISION				
Oakland	5	3	.625	—
Seattle	4	4	.500	1
Texas	2	3	.400	1½
Anaheim	3	5	.375	2

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Florida	6	1	.857	—
Atlanta	6	2	.750	½
Montreal	3	4	.429	3
New York	3	6	.333	4
Philadelphia	3	6	.333	4
CENTRAL DIVISION				
Houston	5	3	.625	—
Pittsburgh	4	4	.500	1
Cincinnati	3	5	.375	2
St. Louis	1	6	.143	3½
Chicago	0	7	.000	4½
WEST DIVISION				
Colorado	6	2	.750	—
Los Angeles	6	3	.667	½
San Francisco	5	3	.625	1
San Diego	5	4	.556	1½

WEDNESDAY'S LINE SCORES

AMERICAN LEAGUE

Minnesota 210 100 001—5 9 2
Detroit 002 011 24x—10 10 1
Tewksbury, Ritchie (6), Swindell (7), Olson (7), Guardado (8) and Steinbach; Moehler, Lira (6), J. Cummings (7), Miceli (8), To.Jones (9) and Wallbeck. W—J. Cummings, 1-0. L—Ritchie, 1-1. HR—Detroit, Higginson (3).

Toronto 104 000 000—5 10 0
Chicago 000 000 000—0 3 0
Clemens, Andujar (6), Plesac (8), Crabtree (9) and Santiago; Alvarez, Simas (8), C. Castillo (9) and Karkovice. W—Clemens, 2-0. L—Alvarez, 0-2.

Boston 000 010 200 0—3 10 1
Oakland 000 011 100 1—4 10 2
Sele, Eshelman (7), Trlicek (8) and Hatteberg, Haselman (8); Karsay, Acre (7), Taylor (9), Small (10) and Molina, Ga.Williams (9). W—Small, 1-0. L—Trlicek, 2-2. HR—Oakland, Berroa (4).

Cleveland 000 000 001—1 9 1
Seattle 010 010 12x—11 13 1
Colon, Kline (7), Plunk (6), Assenmacher (7), Shuey (8) and Borders; Wolcott, McCarthy (7), Charlton (9) and Manzano. W—Wolcott, 1-1. L—Colon, 0-1. HRs—Cleveland, Curtis (1). Seattle, Buhner (2), Sorrento (1), R. Davis (2).

Baltimore 000 000 011 02—4 8 2
Kansas City 000 002 000 00—2 8 0
Kamieniecki, Rhodes (7), Te.Mathews (7), Orosco (9), Mills (9), Ro.Myers (11) and Holles; Rosado, Pichardo (9), J. Walker (10), Bevil (11) and Mi.Sweeney, Speier (10). W—Mills, 1-0. L—Bevil, 0-1. Sv—Ro.Myers (4). HRs—Baltimore, R. Palmeiro (2). Kansas City, J. Bell (2).

New York 040 000 000—12 18 1
Anaheim 000 400 001—5 9 0
D.Wells and Posada; Watson, D. Springer (3), Holtz (9) and Td.Greene. W—D. Wells, 1-0. L—Watson, 0-1.

NATIONAL LEAGUE

Philadelphia 000 000 000—0 5 0
San Francisco 201 000 00x—3 9 0
B.Munoz, Mimbs (6), Spradlin (7), Plantenberg (8) and Parent; Tueter, D. Henry (8), Beck (9) and Jensen. W—Rueter, 1-0. L—B. Munoz, 0-2. Sv—Beck (5). HR—San Francisco, Bonds (1).

Cincinnati 000 002 106—4 11 0
Colorado 421 010 10x—13 19 0
Bones, Jarvis (5), Belinda (7), Service (8) and Fordyce; M.Thompson, DiPoto (7), M. Munoz (7), S. Reed (8), B. Ruffin (9) and Manwaring. W—M. Thompson, 2-0. L—Bones, 0-1. HRs—Cincinnati, R.Sanders (3), W. Greene (2), Larkin (1). Colorado, Burks 2 (4), Galarraga (3).

Houston 001 002 000 000—3 8 1
Atlanta 000 102 000 001—4 8 0
Kile, Hudek (9), B. Wagner (10), Lima (12), Martin (12) and Eusebio; Neagle, Clontz (6), Bielecki (8), Byrd (9), Embree (12) and J. Lopez, Edd.Perez (12). W—Embree, 1-0. L—Lima, 0-1.

Pittsburgh 010 000 201—4 7 0
San Diego 000 000 020—2 7 1
Loaiza, Ruebel (8), Ericks (9) and Kendall; Tl.Worrell, Scott (7), Hoffman (9) and Slought. W—Loaiza, 1-0. L—Tl.Worrell, 1-1. Sv—Ericks (4). HRs—Pittsburgh, Elster (1). San Diego, Gwynn (1).

N.Y. 000 000 101 000 00—2 4 1
L.A. 020 000 000 000 01—3 6 0
Mlicki, R. Reed (9), Bohanon (14), Manuel (14) and Hundley; Park, Radinsky (8), To.Worrell (9), Hall (10), Guthrie (11), Candiotti (14) and Piazza. W—Candiotti, 2-0. L—Bohanon, 1-1. HRs—New York, Hundley (3). Los Angeles, Zeile (2).

Japanese Leagues

THURSDAY'S RESULTS

CENTRAL LEAGUE

Hiroshima 2, Yakult 1
Yokohama 8, Hanshin 7
Chunichi 4, Yomiuri 3

PACIFIC LEAGUE

Daiei 11, Nippon Ham 2
Kintetsu 5, Lotte 0
Seibu 2, Orix 0.

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
x-Miami	58	18	.763	—
x-New York	53	23	.697	5
Orlando	42	34	.553	16
Washington	39	37	.513	19
New Jersey	23	52	.307	34½
Philadelphia	21	55	.276	37
Boston	13	64	.169	45½
CENTRAL DIVISION				
y-Chicago	67	10	.870	—
x-Atlanta	52	24	.684	14½
x-Detroit	51	24	.680	15
x-Charlotte	50	26	.658	16½
Cleveland	39	37	.513	27½
Indiana	37	39	.486	29½
Milwaukee	29	46	.387	37
Toronto	28	48	.368	38½
WESTERN CONFERENCE				
MIDWEST DIVISION				
x-Utah	59	17	.776	—
x-Houston	52	24	.684	7
Minnesota	37	39	.487	22
Dallas	23	53	.303	36
San Antonio	20	56	.263	39
Denver	20	56	.263	39
Vancouver	12	66	.154	48
PACIFIC DIVISION				
x-Seattle	52	24	.684	—
x-L.A. Lakers	52	25	.675	½
x-Portland	45	33	.577	8
x-Phoenix	37	39	.487	15
L.A. Clippers	34	42	.447	18
Sacramento	31	45	.408	21
Golden State	28	48	.368	24

(y-clinched division title)
(x-clinched playoff berth)

WEDNESDAY'S RESULTS

Atlanta 27 39 34 26—116
Philadelphia 15 24 25 37—101
A: Blaylock 9-16 0-0 19, Corbin 7-14 1-2 18, Loehner 8-13 0-0 18; P: Iverson 12-29 15-18 40, Stockhouse 7-23 12-13 27.
Rebounds—Atlanta 61 (Mutombo 11), Philadelphia 65 (Hendrickson 11).
Assists—Atlanta 28 (Smith, Blaylock 8), Philadelphia 19 (Iverson 9).

Boston 28 22 22 36—111
Charlotte 39 25 36 36—136
B: Walker 15-31 1-1 32, Day 7-19 5-6 24; C: Rice 10-14 6-6 29, Pierce 6-9 8-8 24.
Rebounds—Boston 48 (Lister 9), Charlotte 55 (Mason 15). Assists—Boston 24 (Day, Hawkins 5), Charlotte 33 (Bogues 10).

Chicago 19 27 19 21— 86
Indiana 21 23 20 16— 80
C: Jordan 8-19 7-8 23, Pippen 7-12 2-3 17; I: A.Davis 4-4 7-8 15, Jackson 4-6 3-3 13, Miller 5-15 3-3 13, Smits 5-19 3-4 13.
Rebounds—Chicago 53 (Coffey 16), Indiana 45 (D.Davis 16). Assists—Chicago 14 (Pippen 3), Indiana 18 (Smits, Best 4).

L.A. Lakers 18 19 24 28— 89
Utah 24 27 28 30—101
L.A.: Jones 6-15 2-2 16, Rooks 1-5 10-12 12; U: Malone 11-15 7-7 29, Stockton 6-12 3-3 15.
Rebounds—Los Angeles 45 (Campbell 11), Utah 49 (Russell 9). Assists—Los Angeles 19 (Fisher 4), Utah 27 (Stockton 10).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
x-New Jersey	44	22	14	102	225	177
x-Philadelphia	44	23	12	100	263	204
x-Florida	34	28	19	87	217	199
x-N.Y. Rangers	37	33	10	84	250	224
Tampa Bay	30	39	10	70	208	240
Washington	30	40	9	69	197	224
N.Y. Islanders	28	40	12	68	222	240
NORTHEAST DIVISION						
x-Buffalo	39	28	12	90	229	196
x-Pittsburgh	38	33	8	84	277	265
Montreal	31	35	14	76	244	270
Hartford	31	38	11	73	220	249
Ottawa	29	36	15	73	222	232
Boston	25	45	9	59	226	290
WESTERN CONFERENCE						
CENTRAL DIVISION						
z-Dallas	48	24	9	105	273	200
x-Detroit	38	24	18	94	250	191
x-Phoenix	37	37	7	81	234	241
x-St. Louis	34	35	11	79	228	237
Chicago	32	35	13	77	211	205
Toronto	29	43	8	66	225	267
PACIFIC DIVISION						
z-Colorado	48	23	9	105	273	200
x-Anaheim	35	33	13	83	241	230
x-Edmonton	36	35	9	81	246	236
Vancouver	34	40	7	75	252	269
Calgary	32	39	9	73	210	228
Los Angeles	26	43	11	63	206	265
San Jose	27	45	8	62	207	270

(z-clinched division title)
(x-clinched playoff berth)

WEDNESDAY'S RESULTS

Hartford 0 1 3—4
Ottawa 2 1 2—5
First Period: O-Duchesne 18 (Zholtok) 2, O-, Dackell 12 (Lambert, Bonk) Second Period: O-McEachern 11 (Yashin) (shi). 4, H-Sanderson 36 (Emerson, Cassels) Third Period: H-Cassels 21 (Sanderson, Chiasson) (pp). 6, O-Gardner 11 (Yashin, Chorske) 7, H-, Rice 20 (Kapanen) 8, H-Cassels 22 (Sanderson, Dineen) 9, O-Cunneyworth 12 (Duchesne) Shots on goal: H- 12-5-8—25, O- 18-9-10—37. Goalies: H-Burke. O-Tugnutt.

Montreal 1 0 2—3
N.Y. Islanders 0 0 1—1
First Period: M-Malakhov 10 (Bure, Damphousse) (pp). Second Period: None. Third Period: New York, Lapointe 11 (Wood) (shi). 3, M-Carson 7 (Recchi, Koivu) (pp). 4, M-, Rucinsky 28 (Brunet) (en). Shots on goal: M- 8-10-10—28. New York 6-13-10—29. Goalies: M-Thibault. New York, Salo.

New Jersey 0 1 1—2
Florida 0 0 4—4
First Period: None. Second Period: N.J.- Pandolfo 6 (Gilmour, MacLean) Third Period: F-R.Niedermayer 13 (Garpenlov, Warrener) 3, F-Lowry 14 (Washburn, Sheppard) 4, F-, Lowry 15 (R.Niedermayer) 5, N.J.-Holik 21 (Andreychuk, Stevens) (pp). 6, F-Dvorak 18 (Warrener) (en). Shots on goal: N.J.- 9-12-13—34. F- 14-7-8—29. Goalies: N.J.-Brodeur. F-Vanbiesbrouck.

St. Louis 1 0 0—1
Chicago 0 0 0—0
First Period: S.L.-Hull 42 (Courtnall, Petrovicky) Second Period: None. Third Period: None. Shots on goal: S.L.- 7-8-8—23. C- 11-6-6—23. Goalies: S.L.-Fuhr. C-Hackett.

Toronto 1 0 1—2
Dallas 0 3 0—3
First Period: T-Domi 11 (Martin, Clark) Second Period: D-Adams 21 (Sydor, Nieuwendyk) (pp). 3, D-Hogue 19 (Verbeek, Ledyard) 4, D-, Bassen 5 (Verbeek) Third Period: T-Sullivan 13 (Berezin, Warriner) Shots on goal: T- 10-5-3—18. D- 14-14-15—43. Goalies: T-Potvin. D-Irbe.

San Jose 1 0 3—4
Colorado 0 0 1—1
First Period: S.J.-Errey 3 (Sutter, Hunter) Second Period: None. Third Period: C-Keane 10 (Foote, Yelle) 3, San Jose, Kozlov 15 (Nazarov, Ewen) 4, S.J.-Errey 4 (Friesen, Ragnarsson) 5, S.J.-Granato 25 (Turcotte) Shots on goal: S.J.- 11-6-5—22. C- 10-13-15—38. Goalies: S.J.-Flaherty. C-Roy.

Detroit 2 0 1 0—3
Edmonton 1 1 1 0—3
First Period: E-Mironov 6 (Kovalenko) 2, D-Lapointe 15, 3, D-Yzerman 22 (Sandstrom, Konstantinov) Second Period: E-Smyth 37 (Arnott, Buchberger) Third Period: E-Weight 20 (Marchant, Mironov) 6, D-Sandstrom 18 (Konstantinov) (sh). Overtime: None. Shots on goal: D- 7-11-9-1—28. E- 5-7-18-1—31. Goalies: D-Vernon. E-Joseph.

Phoenix 1 2 1—4
Vancouver 5 0 1—6
First Period: V-Gelinas 33 (Bohonos, Joseph) 2, V-Brashear 6 (Walker) 3, V-Bohonos 10 (Gelinas, Babych) 4, Phoenix, Thachuk 51 (More) 5, V-Bohonos 11 (Babych) 6, V-Hedican 4 (Gelinas, Linden) Second Period: Phoenix, Corkum 8 (More) 8, Phoenix, Drake 16 (Stapleton) Third Period: Phoenix, Roenick 28 (Drake, Stapleton) 10, V-Gelinas 34 (Ellinger, Linden) (en). Shots on goal: Phoenix 9-15-12—36. V- 11-9-7—27. Goalies: Phoenix, Khabibulin, Joblonski. V-McLean.

Los Angeles 0 0 1—1
Anaheim 0 1 3—4
First Period: None. Second Period: A-Mironov 13 (Baumgartner, Janssens) Third Period: L.A.-Murray 14 (Boucher) 3, A-Karpa 2 (Baumgartner) 4, A-Bellows 16, 5, A-Selanne 50 (Kariya, Kurri) (en). Shots on goal: L.A.- 9-9-14—32. A- 10-11-7—28. Goalies: L.A.-Dafoe. A-Hebert.

SOCCER

EUROPEAN CUP

SEMIFINALS, FIRST LEG

Borussia Dortmund 1, Manchester United 0
Ajax 1, Juventus 2

ENGLISH PREMIER LEAGUE

Coventry 3, Chelsea 1
Derby 1, Southampton 1
Everton 1, Leicester 1
Sheffield Wednesday 2, Tottenham 1
West Ham 0, Middlesbrough 0
Wimbledon 0, Aston Villa 2

GERMAN BUNDESLIGA

St. Pauli 2, Bochum 1

WORLD CUP QUALIFYING

Zaire 2, Zambia 2

CRICKET

SIXTH ONE DAY INTERNATIONAL

SOUTH AFRICA VS. AUSTRALIA

THURSDAY, IN PRETORIA

South Africa innings: 284-7 (50 overs)
Australia lead 7 game series 3-2

ICC TROPHY

SCOTLAND VS. IRELAND

FRIDAY, IN KUALA LUMPUR

Scotland innings: 56-1
Rain stopped play.

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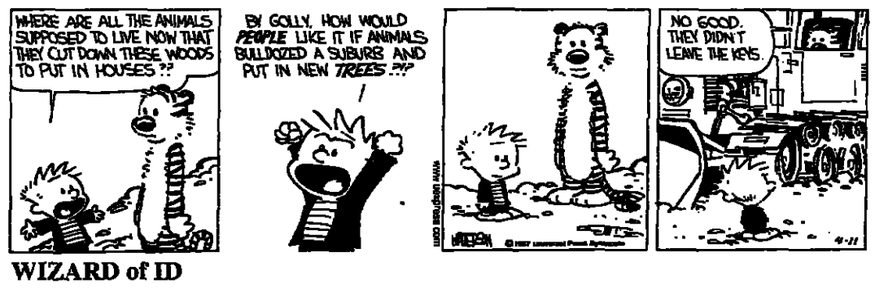

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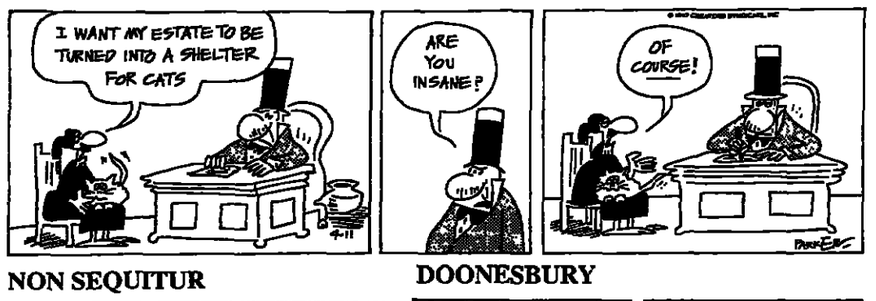

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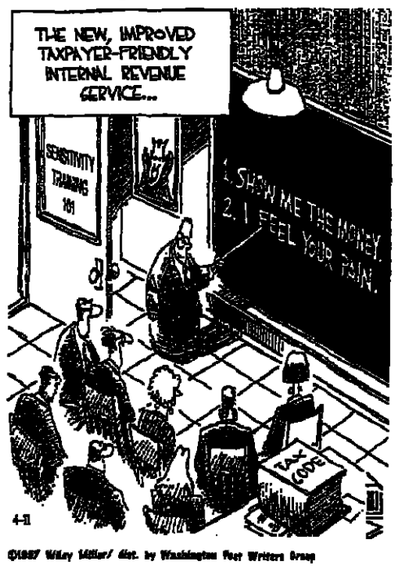

DOONESBURY

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words

DYADD

PAUNC

NIJYET

COASIF

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: WITH AN

(Answers tomorrow)

Yesterday's Jumbles: GRIPE HENGE BRUTAL MUSCLE
Answer: A pole vaulter must be this to win — UP TO THE CHALLENGE

BLONDIE

OBSERVER

Coming to Gripes

By Russell Baker

NEW YORK — We are fortunate today to have with us Dr. B.B. Braithwaite, the eminent authority on self-help, diet, getting rich quick and finding spiritual peace in 30 days. Dr. Braithwaite has kindly agreed to answer a few questions from our readers.

First, doctor, can you explain to Baffled Baseball Fan why our government refuses to let our teams play baseball in Communist Cuba while leaning over backward to encourage our businessmen to toady for big bucks in Communist China?

"Gladly. All communism is bad, but Cuba's communism is worse than anybody else's communism. We have spent 40 years trying to abolish it, and it still refuses to disperse.

"China, on the other hand, not only picks up the bill for our excessively costly elections, but also provides our retailers with cheap tennis shoes for which they can charge us ridiculously high prices. Without ridiculously expensive cheap tennis shoes, Americans might never again be able to get out of the car and walk around the block."

□

While on the subject of China, Dr. Braithwaite, perhaps you can answer this one from Irked Russian: Why enlarge NATO to surround Russia more tightly, now that Russia has gone capitalist? Isn't it more sensible for NATO to surround China now that China is the world's most heavily armed Communist power? Want to tackle that, Doctor?

"What an innocent you are, Mr. Irked Russian. The United States is full of voters of Eastern European extraction who despise and fear Russia in any form. To harvest their votes, politicians must move NATO ever closer to the gates of Moscow.

"As for China, think for a moment what this proud, highly aggressive, heavily armed, repressive and nasty regime might do if we extended NATO to its very borders. You, Mr. Irked Russian, could end up without any incredibly expensive cheap tennis shoes."

Doctor, will you tell Mr. Sorehead why he should not be cross with Alan Greenspan? He says every time he gets a job Alan Greenspan says too many people have jobs and raises interest rates to throw him, Mr. Sorehead, out of work again. What advice, Doctor, can you give this churlish prole to make him feel more kindly to Alan Greenspan?

"Just this, Mr. Sorehead: Keep whining about Alan Greenspan and you'll be known as a common scold. Do you think Alan Greenspan has a personal grudge against you? Don't be a dunce.

"Alan Greenspan is an economist. Do you think economists harbor grudges against people? Nonsense. Economists are not interested in people. When they look at the world, they do not see people, they see statistics.

"To Alan Greenspan, as to all economists, you, Mr. Sorehead, are not Mr. Sorehead at all. You are a number. A very interesting number, to be sure, but just a number. So for heaven's sake, man, quit blubbering, buck up and start acting like a number."

Thank you, Doctor. I'm sure your wisdom will lead us all to spiritual peace before the month is out, if not a 10-pound weight loss.

Was It Worth It? The Ashes of a Writer's Life

By Dan Barry
New York Times Service

BAY SHORE, New York — A stretch limousine stopped in front of a Manhattan apartment building Wednesday morning to pick up a retired schoolteacher named Frank McCourt. It was a means of travel not to his taste, but such are the burdens of luxury for someone who has just won the Pulitzer Prize for biography.

Since the announcement of the award on Monday, McCourt has been toasted at a Champagne breakfast, received dozens of congratulatory letters and telegrams, and appeared on both the "Today" program and "Late Night With Conan O'Brien." But the spare-no-expense celebrations have not kept him from maintaining his posture of wise detachment. After all, his award-winning memoir, "Angela's Ashes" (Scribner, 1996), centers on an Irish childhood of relentless poverty: of flea-infested mattresses and dying infant siblings, of a father who drank and a mother who endured.

Nor did all the hoopla prevent McCourt from keeping a longstanding commitment to go to Bay Shore High School and talk to students about the art of writing from experience. He climbed into the limousine — who paid for it, he did not know — and headed east toward Long Island.

Librado Romero/The New York Times

Frank McCourt signs copies of "Angela's Ashes," his Pulitzer-Prize-winning book.

A few hours later, and less than two days after having won the Pulitzer Prize, a white-haired man stepped up to a lectern in the high school's auditorium and presented himself as a 66-year-old, first-time author. His message to the hundreds of students: to understand, as he did, the storytelling power of your own life. "I learned the significance of my own insignificant life," McCourt said.

That learning process took decades. For many years, McCourt associated with some of the celebrated writers and journalists of New York City, swapping tales at the Old Town Bar, singing Irish ballads at the Lion's Head. But he would often return home feeling as though he too should be writing: that he too should be learning from the English lessons he preached to his students at Stuyvesant High School in Manhattan.

He never doubted that he had a story to tell. When he was 4, his Irish-born parents moved from Depression-ridden Brooklyn back to Ireland, where the family's conditions only worsened. In little more than a year, a pair of toddler twins and a weeks-old baby girl died. His father, Malachy, spun within the alcoholic's spiral: get a job, drink the wages, miss a day's work, get fired. His mother, Angela, held the family together by groveling for its food and clothing. Life for young Frank was a blur of begging, catching a schoolmaster's switch and shivering in the Limerick wetness.

In an interview before his speech, McCourt recalled that he had tried to write the book of his childhood almost 30 years ago, but wound up setting the 125-page manuscript aside. "I was going through my James Joyce period, studied and affected," he said. "I was still struggling to find my voice."

The years swept by. His mother died in 1981, his estranged father in 1985. He retired from schoolteaching in 1987, did some freelance writing, performed with his brother Malachy in a show called "A Couple of Blaguards." Frank McCourt knew that the point of permanent regret was approaching. "All along, I wanted to do this book badly," he said. "I would have to do it or I would have died howling."

In November 1995, after a year of feverish writing, McCourt finished his manuscript about Angela and her lot. Completion brought him peace. "It's between the covers of the book now," he said.

"It's captured."

The book has also brought him acclaim. In addition to the Pulitzer, which, he says, "I really didn't believe I was going to get," "Angela's Ashes" won an award from the National Book Critics Circle, and has risen to No. 1 on The New York Times nonfiction best-seller list. It has also elevated him to a position in which he is called upon to expound an any Irish matter, "from agriculture to the decline in the consumption of claret in the west of Ireland."

He has accepted this mantle with good grace. But he said he has noticed a touch of stereotyping in the reviews of his book. Critics, he said, tend to describe his book — and the books of other Irish authors, for that matter — as "charming and lyrical." In fact, he said, he wanted his description of poverty to be lice-ridden and real. "I didn't want it to be 'charming and lyrical,'" he said. "I wanted to get away from that Irish stuff. And I did."

When McCourt alighted from the limousine, the teachers at Bay Shore High greeted him with a breakfast in the school superintendent's boardroom. Next to the muffins was a pile of copies of "Angela's Ashes" waiting to be signed. Against one wall hung a large sign: "'tis a Pulitzer."

Nina Wolff, the coordinator of the writing conference, which was called "The Ethnic Pen," admitted to worrying that the post-Pulitzer crush might force McCourt to cancel his visit. Although other accomplished authors were attending, he was scheduled to give the keynote address to students from 30 Long Island high schools. "But he's first and foremost a teacher," she said. "He wouldn't do that to students."

The teachers and the special guest finished their coffee and headed to the auditorium. Appearing first on the stage was Keystone, a group of young musicians that sang about about love and life on the challenging streets of the East New York section of Brooklyn. The band's lyrics, one speaker noted, were a form of urban literature. The band's heavy bass notes shook the old wooden walls and energized some students to clap and dance.

Then McCourt, slight and white-haired, took the stage. After 27 years as a teacher, he knew how to keep the attention of a student audience. But the power of his story alone would have done the job: of his drunken father waking him and his brothers in the middle of the night to make them vow to "die for Ireland"; of being so poor that he aspired to become an inmate in America. "My dream was purely economic," he said. "In prison everybody was warm and got three meals a day."

His message to the students, in a community with a depressed downtown, was to work past their anger, recognize their self-worth and see the significance of their lives. When he finished, the teenagers stomped their feet.

Afterward, McCourt sat in the school library to answer questions.

"Do you think it was worth it now?" one student asked. "Your childhood?"

McCourt smiled a gentle and sad smile.

"Now, yes," he said. "But I wouldn't want to have to do it again."

Daniel Morel/The Associated Press

Wyclef Jean of the Fugees arriving in Haiti, where the group will give two concerts.

PEOPLE

THERE will be no festival celebrating **Ernest Hemingway** this year in Key West, Florida. The author's three sons, **Jack, Patrick** and **Gregory**, say the Hemingway Days Festival, held for the past 16 years near his former home in Key West, is tasteless and tacky. They threatened to sue if they didn't receive a 10-percent cut of the proceeds and control over the festival, and the organizers, rather than battle it out in court, decided to shut the festival down. That means no tour of Hemingway's favorite haunts, such as Sloppy Joe's Bar on Duvall Street and Captain Tony's Saloon around the corner, and no short story competition for aspiring writers. (**Michael Halpern**, the owner of Sloppy Joe's, says the Hemingway look-alike contest, which the bar sponsors, will continue. "I'm hoping they won't sue us," he said.) "We think it is very lacking in taste. We think it is a travesty on the memory of Ernest Hemingway," Patrick Hemingway said by phone from his home in Bozeman, Montana. "We think it has gone on long enough. We believe it is no longer tolerable."

□

One of the best-selling rock groups of the decade has disbanded quietly, as the members of **Soundgarden** announced their breakup in a brief statement posted on the Internet. "After 12 years, the members of Soundgarden have amicably and mutually decided to disband to pursue other interests," said the statement. "There is no word at this time on any of the members' future plans." Soundgarden, known for a thunderous, brooding instrumental approach, came to prominence in the late 1980s as part of the Seattle rock scene that also spawned **Pearl Jam** and **Nirvana**.

□

More than 1,000 Haitian fans greeted the **Fugees** as the U.S.-based trio returned to its roots for two concerts for the benefit of Haitian refugees. Two of the group's three members, **Wyclef Jean** and **Pras Michel**, were born in Haiti. They will perform Friday at the Club Med resort hotel, with tickets selling for $100. Tickets to an open-air concert Saturday in Port-au-Prince will cost $3.10.

□

He invented the computer mouse, fathered e-mail and the Internet, and set up a computer-video teleconference back when such was the stuff of science fiction. And now, **Douglas Engelbart** — hardly a household name — has been awarded the largest cash prize for American inventors, the $500,000 Lemelson-MIT award. Engelbart accepted the prize as he cradled the world's very first mouse. He patented the wooden shell covering two metal wheels in 1970 as an "X-Y position indicator for a display system."

□

Walter Cronkite, 80, was released from New York Hospital-Cornell Medical Center, eight days after undergoing quadruple bypass surgery. In a statement, he said his doctors had told him that "my recovery is right on schedule and that I'm in excellent shape."

□

For a while, it seemed as if nobody appreciated **Zurab Tsereteli**, Russia's most ridiculed sculptor. But his savior may have stepped forward Thursday in the person of **Philippe Moste**, mayor of the tiny French Atlantic town of Royan. Moste thinks Tsereteli's enormous monument to **Peter the Great** — a statue that has become the laughingstock of Moscow — would look just great in his hamlet and has suggested in a letter to **President Boris Yeltsin** and **Yuri Luzhkov**, Moscow's mayor, that Russia might want to make it a gift to the people of Royan. Tsereteli's 50-meter monument to Peter, which looms over the Moscow River near the Kremlin, recently prompted Yeltsin to ask: "Don't we have other sculptors and artists?"

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